



50 Years
of Partnership
in Sri Lanka



50 Years of Partnership for Development

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Foreword

It is with great pride that we commemorate 50 years of USAID development partnership in Sri Lanka. The landmark development cooperation agreement between the United States Government and the Government of Ceylon was signed on April 28, 1956. We have selected 50 stories for the 50 years of assistance and partnership to highlight the achievements of USAID in collaboration with successive Sri Lankan governments, non-governmental organizations, civil society groups and the private sector. They represent the tip of the iceberg of USAID activities focused on improving the quality of life of Sri Lankans.

This retrospective demonstrates USAID's commitment to building institutions and systems to provide better services and incomes to people and strengthen the democratic process. But, more than anything else, it shows USAID's commitment to educating and empowering people. The assistance has been wide ranging, focusing on the development needs of the time and the capabilities that the United States has to offer to solve these particular problems. In all these endeavors, our goal has been to provide Sri Lankans with the tools to move forward both as individuals and as a nation to shape their development future.

The key to our successes is USAID's longstanding field presence and approach to development. By using the ongoing opportunity to build lasting relationships, to understand root causes of a country's development challenges and to recognize people's needs, traditions and culture before designing and providing assistance, we foster country ownership and sustainability. It is through this proven methodology in countless countries around the world in which USAID operates that countries move from assistance to partnership and achieve the ultimate goal, having the skills and institutions poised to meet their own development needs independent of donor assistance.



Dr. Carol Becker
Mission Director

Ultimately, it is the people, the men and women, both American and Sri Lankan, from USAID Mission staff and partners who made our development projects successful, and it is the investment in people that is the hallmark of our work together. While funding has fluctuated over the 50 years, our role has continued to be as a catalyst for change – helping Sri Lankans take development risks and focus on innovation as a means of achieving sustainable long term development.

As we look to the future, we hope that those whose lives, livelihood and opportunities have been devastated by more than 20 years of conflict, those whose families, possessions and jobs were destroyed by the tsunami, and those who still remain in poverty, will share in the next wave of Sri Lanka's development progress. USAID is committed to continue to work in partnership with Sri Lanka to ensure that the benefits of peace and prosperity are enjoyed by all of its people.

Acknowledgment: USAID/Sri Lanka would like to express our appreciation to Diane Ray from AID/Washington's Center for Development Information and Education for all her hard work in researching materials for the 50 stories both at headquarters and in Sri Lanka and helping us unearth our development history.



Introduction

Nestled like a teardrop falling off the southern tip of India, Sri Lanka has fascinated and enticed visitors for centuries with palm-lined beaches, diverse landscapes and rich cultural heritage.

A new partnership between then-Ceylon and the United States of America began on April 28, 1956 with the signing of the first agreement for economic assistance between the two countries. The agreement marked the beginning of a lasting partnership to develop then-Ceylon and improve the lives of its people. Throughout the past 50 years, the U.S. and Sri Lanka have worked together during times of war, peace, economic growth, political instability, and natural disasters.

During five decades of assistance, the U.S. Agency for International Development (USAID) has contributed more than \$1.9 billion to Sri Lanka, working in the areas of economic growth, agricultural development, environment and natural resources, health, education and training, democracy and governance, transition initiatives and humanitarian assistance.

USAID contributes to Sri Lanka's economic growth with activities designed to reduce unemployment, develop financial markets, expand trade and investment, and improve the ability of Sri Lankan export industries to compete in global markets. USAID helped improve transportation systems in Sri Lanka through railway and highway development, and increased access to housing for low-income families.

Initially, assistance consisted of project aid, food aid, and housing loan guarantees. About half of the project aid went toward the Accelerated Mahaweli Development Program, with the balance for a range of technical assistance, training, commodity and local cost support activities in agriculture, health and family planning, private enterprise, and education sectors.

The U.S. has been dedicated to developing the agriculture sector in Sri Lanka, supporting projects to increase agricultural diversity and productivity, to introduce improved techniques to farmers and to enhance agrobusiness marketing capacity. USAID's contributions to the environment in Sri Lanka have come through encouraging clean air and energy efficiency, strengthening biological diversity and protecting the coastline and coastal resources.

Health initiatives included reducing the incidence of malaria, increasing nutrition, and improving water and sanitation systems. USAID contributed to improving secondary and university education in Sri Lanka, and supported targeted programs in vocational education and job training.

The USAID Democracy and Governance Program works to strengthen democratic institutions, support peace and build the capacity of civil society. The Office of Transition Initiatives helps communities increase collaboration between diverse groups to promote peace.

Humanitarian Assistance provides high quality, holistic services to people traumatized by armed conflict, and support for the disabled. Food assistance was provided in the early years of U.S. assistance.



The original logo of partnership between USAID and Sri Lanka

The priorities of U.S. assistance to Sri Lanka changed dramatically following the destruction of the December 2004 tsunami. In the wake of this tragedy lies the challenge of rebuilding the lives of the survivors and their destroyed communities.

Today, Sri Lanka remains at a crossroads politically. USAID's country development program can play a significant role in supporting the peace process, and inculcating an environment conducive to prosperity and equity for all regions, ethnic and religious groups in Sri Lanka. USAID looks forward to building on its partnership with Sri Lanka to ensure a secure and prosperous future for its 20 million people.

April 28, 1956

The first agreement for economic assistance to Sri Lanka from the United States of America was signed in Colombo on April 28, 1956, thus beginning 50 years of partnership. The agreement was signed by S.W.R.D. Bandaranaike, Prime Minister and Minister of Defense and External Affairs of Ceylon, and Mr. Philip Crowe, U.S. Ambassador to Ceylon.

Written to the Prime Minister by the U.S. Ambassador, the agreement begins:

"I have the honor to refer to discussions between our two governments with reference to a development assistance program. As both governments recognize that economic assistance can promote economic development and stability in Ceylon, and considering that, under legislation enacted by the Congress of the United States, the United States is able to furnish such assistance to the Government of Ceylon, it is deemed desirable to set forth the understandings which will govern the furnishings of such assistance by the Government of the United States, the receipt of such assistance by the Government of Ceylon, and the measures which the two governments will take individually and together in furtherance of the above objectives."

It goes on to state:

"It is understood that, in order to assure the maximum benefits to the people of Ceylon from that assistance to be furnished by the Government of the United States, the Government of Ceylon intends to continue to pursue all appropriate measures to promote economic development and maintain stable economic

conditions in Ceylon and to reduce its need for assistance for the achievement of those objectives."

The United States is proud of its 50-year partnership with Sri Lanka. It is honored to have stood with Sri Lanka throughout the years and to have contributed to its growth. USAID looks forward to continuing its work with Sri Lanka, with Sri Lankans taking the lead in their own development.



Sri Lanka Prime Minister S.W.R.D. Bandaranaike speaks at a gathering celebrating the first three years of U.S. assistance on April 28, 1959 (top right). U.S. Ambassador Bernard Gufler signs a food agreement with Minister of Commerce T.B. Illangaratne (above).

Food Assistance

On July 10, 1954, President Dwight D. Eisenhower signed the Agricultural Trade Development Assistance Act, or Public Law 480 (P. L. 480), into law. The purpose of the legislation, the President said, was to “lay the basis for a permanent expansion of our exports of agricultural products with lasting benefits to ourselves and peoples and of other lands.” USAID has provided assistance to Sri Lanka under Titles I, II and III of P. L. 480.

Title I provides for the sale of U.S. agriculture commodities on concessional credit terms to governments and private entities in developing countries. The Title I food assistance program was one of the first U.S. assistance programs in Sri Lanka, beginning in 1956. It helped meet the demand for food grain in Sri Lanka while also supporting agriculture and rural development, and reducing the balance of payments gap.

Beginning in the mid-1980s, Title I also supported the government’s National Agriculture, Food and Nutrition Strategy, which was developed as part of the P. L. 480 agreement. Overall, Title I was policy neutral. The U.S. continued to provide commodities throughout changes in Sri Lanka’s economic and political life, and subsequent adjustments in U.S. policy toward Sri Lanka.

Wheat flour milled from P. L. 480 Title I wheat was distributed by the Food Commission to cooperatives, bakeries, and registered retail outlets. Under the Government of Sri Lanka’s food stamp program, low-income families purchased wheat flour and bread from these outlets. The food stamp program replaced a non-targeted ration that had been provided to everyone.

Title II, known as Food for Peace, provides commodity donations to address the needs of food security in both development projects and emergency food assistance programs. USAID used Title II aid to support both school feeding and maternal and child health programs in Sri Lanka. The private voluntary organization, CARE, administered both programs.

The School Feeding Program began in 1956 and evolved into the School Biscuit Program, an effort to provide school age children with a daily 44 gram nutritious biscuit throughout the school year. The program, managed in collaboration with the Ministry of Education, provided children daily food supplements and nutrition education.

Lessons learned: A 1982 evaluation could not determine the nutritional impact of the school feeding program and a subsequent nutrition study and ongoing school feeding evaluations conducted by the Government of Sri Lanka indicated that this approach might not be the most effective way to combat malnutrition. As a result, USAID encouraged the government to focus its resources on combating malnutrition at an earlier stage of the growth cycle, while also working with the government to strengthen the Maternal and Child Health program.



Children eating USAID-provided biscuits under the School Feeding Program at the Chiddapalayam Maha Vidyalaya in Batticaloa District in the late 1950s.

The Maternal and Child Health program began in 1972 in collaboration with the Ministry of Health. It addressed three nutritional programs in Sri Lanka: protein calorie malnutrition, nutrition anemia, and Vitamin A deficiency. The program reached approximately 550,000 pregnant and lactating mothers and pre-school children through the monthly issuance of a pre-cooked supplement, Thripasha. It is considered one of the most successful Food for Peace programs worldwide.

In 1991, USAID initiated Title III assistance in Sri Lanka as a follow-on to the Title I program that had provided virtually continuous food and development support to Sri Lanka from 1956 through 1990.

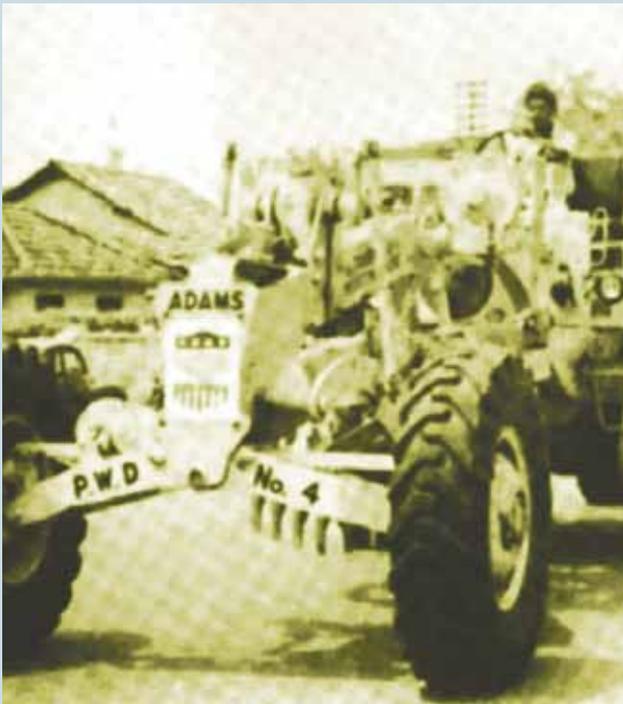
The Sri Lanka Title III Program Agreement authorized three payments of approximately \$35 million each, conditioned upon institutional reforms, policy reforms and preparatory studies for future reforms implemented by the Government of Sri Lanka.

Highway Development

In the 1950s, the Government of Ceylon was making slow progress in its six-year plan for road development due to lack of equipment and skilled personnel. In 1957, the U.S. International Cooperation Administration, a predecessor agency to USAID, began the Highway Development Project to give training in all phases of highway construction and maintenance.

The Highway Development Project donated construction equipment to be used by the Public Works Department in the construction of a 22-mile rural highway between Aluthnuwara and Padiyatalawa in the dry zone.

Not only did this pilot project, known as the “American Friendship Highway,” provide on-the-job training for highway construction and maintenance personnel, but it also reduced the distance between Kandy and Batticaloa by nearly 100 miles.



USAID donated this road construction equipment for the Aluthnuwara–Padiyatalawa Highway Project.

The provision of such equipment gave the Public Works Department initial experience in the use of heavy construction equipment so they could make substantial headway in the future with their own resources.



The 22-mile “American Friendship Highway” linking Kandy and Batticaloa was completed in 1957.

“Not only did this pilot project, known as the “American Friendship Highway,” provide on-the-job training for highway construction and maintenance personnel, but it also reduced the distance between Kandy and Batticaloa by nearly 100 miles.”

In-service training was provided to over 300 Public Works Department personnel and an equal number of laborers. The Highway Development Project ended in 1963.

Railway Rehabilitation



Some of the diesel power coaches provided by USAID to Sri Lanka in the 1950s are still in use today.

In the late 1950's, Colombo's railway transport facilities urgently needed to be improved and expanded. An improved railway had the potential to be an important contribution to the development of Colombo as the nation's center of commerce and industry.

As part of this effort the U.S. also aided Ceylon to improve its railway signaling systems and financed a comprehensive traffic survey of the highway and rail system.

By improving the railway large numbers of persons traveling daily into the city could be moved in greater comfort and speed.

These improvements also permitted faster clearance of goods through Colombo's ports. Rehabilitation of Ceylon's railroad systems would help the government

control Colombo's slum growth, land prices and rents, and open new areas for the development of industrial production facilities.

To address this need, the U.S. provided 25 diesel power coaches to Colombo. The coaches and diesel engines helped to relieve rail congestion in and around Colombo and helped to modernize Ceylon's rail transportation facilities.

Diesel-powered coaches were more efficient than the coal-burning engines previously used, and substantial savings in foreign exchange of one rupee per train mile was achieved. As a result, in 1958, the railroads were able to accommodate 36,000 daily commuters.

Today, you can still find some of these coaches being used throughout Sri Lanka.

Ceylon in the late 1960s

In 1965, Ceylon's economic future looked bleak. World prices for its exports, tea, rubber and coconut, had been declining for years, while demand for more imports, particularly food, continued to rise. Development had been sacrificed as capital goods and raw material imports were squeezed out. Investment was low and the GNP and population grew at about the same rate.

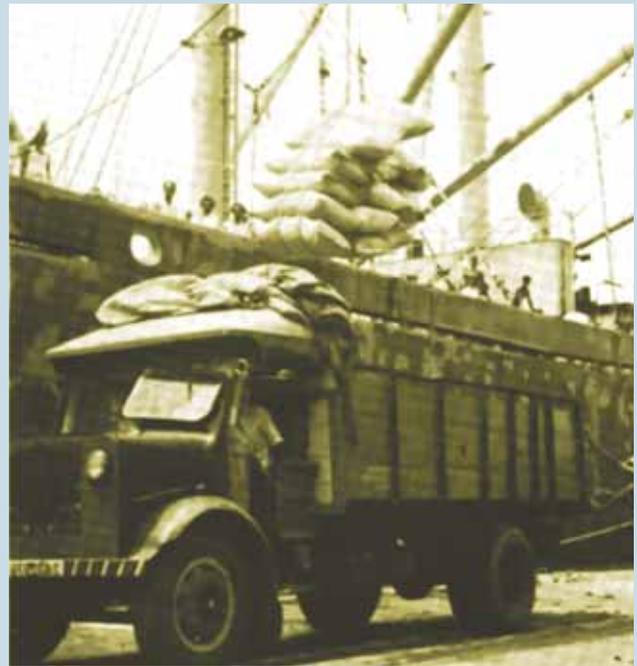


Ceylon's best hope for short run relief for its balance of payment problems lay in import substitution.

Ceylon's best hope for short run relief for its balance of payment problems lay in import substitution, which meant growing more of its own food. In 1967, the Government of Ceylon launched a highly successful campaign to grow more food, which resulted in substantially increased agricultural production and farmer incomes.

While farmers were given incentives to increase domestic food production, subsidies for food consumption were reduced. The subsidized rice ration was halved and other rations reduced considerably. Imports of food commodities were curtailed sharply. These actions created the needed incentive for the agricultural production drive.

Industrial production was spurred by a set of far-reaching policies which included formal devaluation in 1967, a preferential import-export rate in 1968, and a revised import policy which restricted consumption imports in favor of those needed for production. As a result, private investment expanded and industrial production increased.



Ceylonese farmers receive USAID-supplied fertilizer in the 1960s to help improve paddy yields.

Ceylon's short-term foreign exchange crisis was eased by stabilization loans from the International Monetary Fund and flows of assistance from donor countries.

As of 1970, the United States had contributed \$67 million of the \$310 million committed by a group of aid donors since 1965. The U.S. contribution included \$20 million in development loans and the balance was P. L. 480 Title I food assistance.

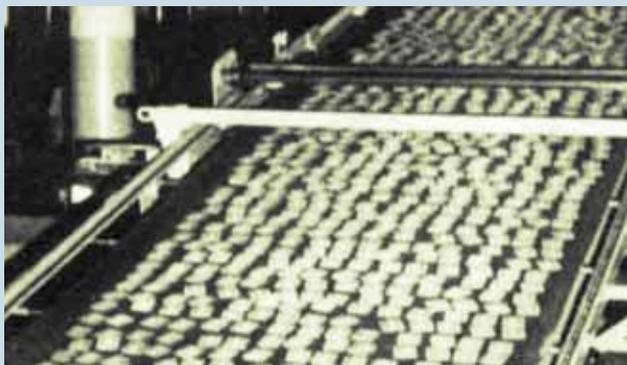
USAID also programmed a \$5 million development loan in 1970 to meet a portion of Ceylon's fertilizer import requirements. This assistance supported the development efforts of the Government of Ceylon, particularly in expanding agricultural production.

Thriposha: A Nutritional Boost for School Children

In 1972, the USAID Food for Peace program expanded to address the issues of Maternal and Child Health in Sri Lanka. This new program was managed in collaboration with the Ministry of Health and was implemented by CARE. It addressed three nutritional problems in Sri Lanka: Protein calorie malnutrition, nutrition anemia and Vitamin A deficiency, through the monthly issuance of a pre-cooked supplement.

The food supplement was called Thriposha, meaning three nutrient groups, and originally consisted of a wheat-soy-milk blend. Commodities were donated through Food for Peace. In an effort to expand the number of recipients, sorghum was ground and used as flour for baking a biscuit, then reground and blended with the wheat-soy blend.

This process could not meet future requirements, so a decision was made in 1975 to replace the baking process. An extrusion cooker, provided by USAID and CARE, permitted the use of indigenous ingredients, and the mixture was changed to a corn-soy-milk blend.



A USAID-supported factory produces nutritious biscuits for children.

To meet the increased demand for Thriposha, a new complex was built in Ja-Ela, near Colombo. Funds for the factory and equipment were provided by USAID and CARE. Technical assistance was provided by USAID through the USDA and Colorado State University. The facility included a plant, canteen, warehouse and a garage.

In addition to its direct nutrition effect, Thriposha served as an incentive for beneficiaries to come to health clinics



Children like these benefited from production of Thriposha, a food supplement including three nutrient groups.

on a regular basis. This allowed health clinic staff to treat cases and provide preventive services to their clientele. An evaluation of Food for Peace assistance in 1982 found the Thriposha program to be one of the better Maternal and Child Health activities sponsored under Food for Peace worldwide.

Thriposha is still being used today. A February, 2005 World Health Organization Situation Report on Tsunami and Health Issues states that Thriposha was distributed to camp children in the Hambantota District.

Malaria Eradication

Malaria has been a serious problem in Sri Lanka for centuries. In the 1930s, the Government of Ceylon began its long struggle against malaria. It established a countrywide Malaria Control Program that was implemented by an organization called the Anti-Malaria Campaign.

In 1957, the U.S. joined the effort with eradication of malaria as one of its first assistance programs in the country. The objective of the activity was first to control and then to eradicate malaria from the country by spraying and intensifying surveillance for detection and treatment of positive cases of malaria.

In 1963, only 17 cases were detected and the disease was brought under control for the first time in the country's history. However, this apparent victory was short-lived as malaria began to reappear toward the end of the 1960s. This was primarily due to the mosquito having built up resistance to the insecticide DDT.

The need for health worker refresher training, increased field staff, and adequate equipment and supplies also contributed to the resurgence of the disease. Recorded cases jumped from 132,604 in 1972 to 400,777 in 1975. There also was an increase in the incidence of cerebral malaria which is particularly dangerous to children and non-immune populations.

In 1977 the Government of Sri Lanka launched a campaign to control malaria within a 5-year period. USAID contributed to the program by establishing the Sri Lanka Malaria Control Project in 1978, providing insecticides, equipment, research and pilot testing, technical assistance and training for personnel.

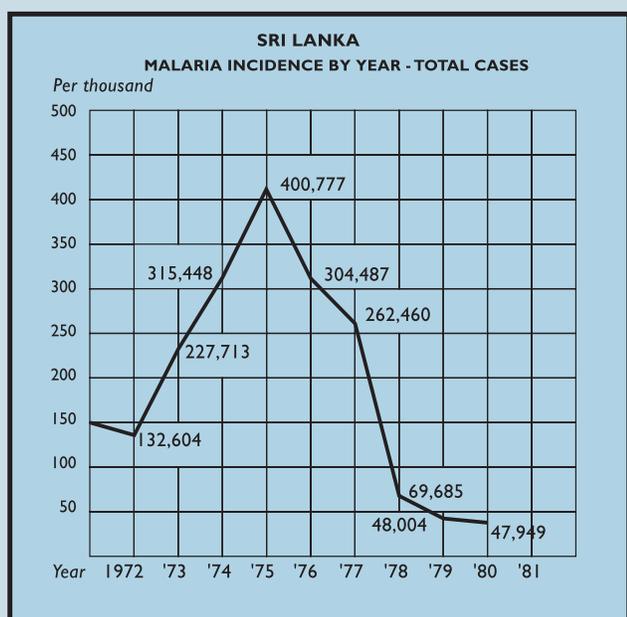


These microscopes used by Ceylonese scientists on the Malaria Eradication Program started by USAID.

The contributions also covered the additional costs of malaria control imposed by the acceleration of the Mahaweli Basin Development Program, and the foreign exchange shortfall for required insecticides used in the government's malaria program. In 1981, cases of malaria dropped to 47,949.

USAID extended its support to the government's Anti-Malaria Campaign in 1983. The USAID Malaria Control Project implemented an improved program for the treatment of malaria and introduced vector control methods designed to reduce widespread spraying. USAID continued to work with the Sri Lankan government on reducing malaria until 1988.

Dr. M.U.L.P. Samarasinghe, Director of the Anti-Malaria Campaign, publicly thanked USAID at a workshop held to increase collaboration between the Anti-Malaria Campaign and other government and non-government institutions. He expressed appreciation to USAID for its valuable assistance and support through providing the insecticide Malathion, conducting training activities and promoting inter-sectoral collaboration in Malaria Control Program activities.



Women's Employment

In the late 1970s, USAID supported programs to identify and address issues related to women's employment in Sri Lanka. These were in line with the Government of Sri Lanka's decision to include more women in higher levels of government and the establishment of the Women's Bureau of Sri Lanka in 1978.

USAID/Sri Lanka's overall strategy was to seek solutions to women's problems and needs, help strengthen women's institutions and organizations, provide training to integrate women more fully into non-traditional economic activities, and conduct analysis of women's issues to help the Government of Sri Lanka remove constraints to female employment.

One of the activities took place in early 1978 when the Sri Lanka Federation of University Women decided to address the problem of high unemployment among women university graduates.

The supply of university graduates at that time far exceeded the number of available jobs. This made opportunities for women extremely limited, and holders of general arts degrees had an even harder time finding work for which they were qualified.

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In response, USAID provided a grant to support a three-phase, 30-month program to promote women's integration into the labor force by providing training opportunities to increase their employability. To begin, the federation conducted a survey to identify the major factors that impeded the employment of women liberal arts graduates. The public and private sectors were canvassed to assess employment needs and identify required areas of training.

Training programs were developed according to the survey results. Unemployed women graduates were then counseled, provided with skills training in their

areas of interest and suitability, and assisted in job placement. At the end of the project, 110 women had been placed in positions for which they were trained.

USAID also supported the Sri Lanka Women's Bureau in its survey of night work for women. Previously, the laws of Sri Lanka prohibited the employment of women in factories and industries between 10 pm and 8 am, in conformity with an International Labor Organization



Sri Lankan women working in the spice industry. USAID helped reform labor laws, allowing women to maximize employment opportunities.

convention ratified by Sri Lanka. The Ministry of Labor felt that this discriminated against women, and asked the Women's Bureau to survey women and their families on their views and needs.

With a grant from USAID, the Women's Bureau began the survey in July 1980. The results were published in 1981 and they paved the way for the Government of Sri Lanka to change its laws to no longer prohibit women from working at night. Sri Lankan women could now seek to maximize their employment opportunities.

Gal Oya Irrigation Program

Sri Lanka has a long tradition of tank irrigation using elaborate networks of channels. From the 5th to the 15th century, irrigation played a crucial role in sustaining the ancient empires. Serious state interest in reviving domestic agriculture through development of irrigation infrastructure began early in the 20th century.

The establishment of the Irrigation Department in 1900 gave the development of irrigation infrastructure a higher priority among overall development strategies. The main objective was to restore and develop as many irrigation reservoirs as possible. From 1955 through 1980 the area under irrigation increased from about 650,000 acres to over 1.2 million acres.

Many of the irrigation schemes were not able to serve properly all the farmers within their respective areas. The government decided to carry out a pilot project in the Gal Oya Irrigation Scheme, in the eastern dry zone of Sri Lanka. It was the largest irrigation scheme and most in need of rehabilitation.

The focus of the program was in the left bank channel system that served an area that was mostly paddy. On August 30, 1979, an agreement was signed between the Government of Sri Lanka and USAID for the Gal Oya Water Management Project.

USAID hired a private American consulting firm, CH2M HILL, to conduct a study and define the scope of a water management program. The CH2M HILL team proposed a program in Gal Oya that included physical rehabilitation, an improved training program, assistance in improving the extension program, expanded central support and a program of socio-economic research. USAID proposed inclusion of an experimental component to introduce farmer organizations for improving water management among farmers.

Field activities began in 1981. Hydraulic performance of the Gal Oya left bank system was substantially improved by the rehabilitation work. Most of the main, branch and distributor canal systems were renovated. There were significant water savings due to the rehabilitation work and a significant increase in the irrigated areas of the Left Bank. Both the extent cultivated and the productivity per unit of land increased. Farmers perceived that they

were better off at the end of the 5-year project, and felt more self-reliant and hopeful for the future.

The Farmer Organization Program was the most successful component of the Gal Oya Project. Farmer organizations made significant contributions to the re-design, construction, operations and maintenance of the system. Using the farmers' knowledge of design and construction of channels was a useful outcome of the program. Almost all the farmer groups adopted rotational distributions, water-saving techniques and participated in group-organized maintenance activities.



New techniques of irrigation and pest control greatly increased crop yields in Sri Lanka.

Minor repairs and maintenance work were done by means of shramadana, a traditional method of mobilizing labor for community work. There was a significant reduction in disputes over water, and a systematic way of handling disputes emerged.

Due to the success of the Farmer Organization Program, the Government of Sri Lanka started using the concepts and methods in other major irrigation schemes.

Mahaweli Ganga

Sri Lanka's major river, the Mahaweli Ganga, is 207 miles long and covers both the wet and dry zones of Sri Lanka. The initial reconnaissance level plan for developing the resources of the Mahaweli Ganga was funded by USAID's predecessor, the U.S. Mutual Security Program, during the period 1958 to 1961.

Following up on this plan, between 1965 and 1968, the United Nations Food and Agriculture Organization and the United Nations Development Program, in conjunction with the Government of Sri Lanka Irrigation Department, developed a master plan for the utilization of the Mahaweli Ganga and its tributaries to irrigate major areas of Sri Lanka's dry zone and provide hydroelectric power.

The plan, the Accelerated Mahaweli Program (AMP), envisioned a 30-year program to construct fifteen reservoirs, eleven of which were to include power stations, and to develop 900,000 acres of land, 246,000 acres of which were already partially irrigated, and 654,000 acres of which were new land. Work on the first phase of the program began in 1970.

In 1977, the newly elected government announced its intentions to complete the AMP in five years and narrowed the scope to more manageable proportions. The project led to hydropower generation capacity of 470 MW and irrigation of an additional 365,000 hectares of land in the dry zone. Following construction, attention shifted to watershed management, water management, crop diversification, participatory management and enterprise development.

During the late 1970s, the USAID program in Sri Lanka emphasized increasing food production through a wide range of institution building projects, such as agricultural education, research, water management and paddy marketing.



The Mahaweli Ganga is 207 miles long and covers both the wet and dry zones of Sri Lanka. USAID supported nine projects associated with the Accelerated Mahaweli Program in the 1970s.

USAID decided that participation in the AMP would be their largest development activity in Sri Lanka, due to its lead position within the Government of Sri Lanka's development program, the multi-donor nature of the program, and its alignment with USAID's legislative mandate to provide employment and land to landless farmers and opportunities for increased food production.

Accelerated Mahaweli Program Projects Supported by USAID

- ***Mahaweli Agriculture and Rural Development***
- ***Mahaweli Basin Development Phase I and II***
- ***Mahaweli Ganga Irrigation***
- ***Mahaweli Enterprise Development***
- ***Mahaweli Environment Project***
- ***Mahaweli Sector Support***
- ***On-farm Water Management***
- ***Reforestation and Watershed Management***

Hand Pumps

In 1979, Sri Lanka was chosen as an ideal country for the introduction of USAID hand-operated water pumps for open wells. Sri Lanka proved especially appropriate for the large scale installation of hand pumps because the wide dispersion of the rural population rendered piped water systems economically unfeasible, and because of the large number of open wells that needed to be sealed from external contamination.

USAID asked the Georgia Institute of Technology to determine the feasibility of locally manufacturing the hand pumps. Local manufacturers were found to offer an attractive price and the capability to manufacture a quality pump. The unit selling price was \$149, a large savings compared to the nearest comparable competitor that sold for \$350.

The Georgia Institute of Technology was then asked by USAID to provide technical assistance and oversight for the manufacturing and the installation of 90 hand pumps, and to assess the effectiveness of the pumps and general user acceptance.

Villager acceptance of the USAID hand pumps was excellent . The success of the project quickly spread, prompting the Ministry of Plan Implementation to order hand pumps for sites within the Integrated Rural Development project.

In the early 1980s, 45 shallow-well and 45 deep-well hand pumps were manufactured by the Samasiri Huller Manufactory. Seventy-nine pumps were installed at 39 sites identified by the Government of Sri Lanka. The sites covered five districts: Kalutara, Hambantota, Kandy, Ampara and Jaffna.



Children fetch water at a USAID hand pump installed in Kalutara in 1981. In the early 1980s, 79 such pumps were installed at 39 sites covering five districts.

The hand pumps were continuously monitored and evaluated for overall performance and water quality testing was performed at each site.

Problems due to improper installation, maintenance or repair procedures were addressed with all levels of the Government of Sri Lanka maintenance infrastructure, in the form of additional on-site training.

Villager acceptance of the covering of the wells and installation of the USAID hand pumps was excellent. The success of the project quickly spread, with the Ministry of Plan Implementation ordering hand pumps for the Integrated Rural Development Project.

The USAID hand pump program also permitted the Government of Sri Lanka to implement its Decade Plan for Rural Water.

Installation of the hand pumps allowed for instant impact while the government prepared for the longer-term plan of piped water systems in densely populated areas.

Protecting Biological Diversity

Sri Lanka is a rich reservoir of plant and animal species, including several found nowhere else in the world. In the early 1970s, with international donor support, the Government of Sri Lanka began developing the Mahaweli River Basin irrigation system. The World Bank and other donors financed much of the system's infrastructure while USAID supported the government's efforts to improve farm production systems within the newly irrigated lands.

Along with improvements in farm production and increased hydroelectric power, the Mahaweli system radically changed the surrounding habitats that fostered much of Sri Lanka's diverse plant and wildlife.

With most lowland areas taken up for water storage or irrigated agriculture, wildlife was forced to retreat to hilly upland areas that were already at their carrying capacity for wild animal species. These forested areas were also becoming degraded by the growing rural populations within the Mahaweli Scheme.

In 1982, USAID launched a 10-year Mahaweli Environment Project (MEP) to help the Government of Sri Lanka create and manage a system of protected wildlife parks and sanctuaries within the scheme. MEP sought to halt expansion of crop cultivation, animal grazing, logging, and hunting in these remaining forest habitats and prevent further loss of the country's irreplaceable biological resources.

USAID-Supported National Parks

Seven protected areas were established under the Mahaweli Environment Project:

Floodplains National Park	17,350 ha
Madura Oya National Park	58,850 ha
Somawathiya National Park	37,762 ha
Wasgomuwa National Park	37,063 ha
Minneriya-Giritale Nature Reserve	42,000 ha
Tirikonamadu Nature Reserve	25,019 ha
Victoria-Randenigala-Rantambe Sanctuary	41,600 ha

MEP is one of USAID's earliest efforts to include conservation of biological diversity in a rural development program. MEP helped the Government of Sri Lanka establish seven protected areas demarcated with publicly



National parks protect Sri Lanka's large population of elephants.

recognized borders, which was an important first step toward the conservation of Sri Lanka's biological diversity. The new areas constituted about 30 percent of Sri Lanka's existing protected lands and nearly 45 percent of the Mahaweli Basin. The most visible impact of USAID support for Sri Lanka's habitat protection was the halt in human settlement and agricultural cultivation within the designated protected areas.

Although MEP ended in 1991, USAID continued to support the conservation of biological diversity through subsequent initiatives. In 1990, USAID launched the Natural Resources and Environmental Policy Project, to broaden support of intergovernmental environmental units, non-governmental organizations, environmental impact assessments, and forest and marine wildlife protection in Sri Lanka.

Agricultural Education Development

Before 1975, the Faculty of Agriculture (FA) at the University of Peradeniya, was a small, poorly equipped scholarly staff graduating 100 Bachelor of Science students each year. The Postgraduate Institute of Agriculture (PGIA) was created in 1975 to provide Master of Science, Master of Philosophy and Ph.D. degrees for the improvement of Sri Lankan agriculture.

USAID started the Agricultural Education Development Project in 1978 to increase the capacity of the PGIA and FA to indigenously train postgraduates. The PGIA and the University of Peradeniya share a common faculty and facilities for postgraduate education. To increase this capacity, students were sent to three U.S. universities to earn advanced degrees. Students were sent to Pennsylvania State University, Virginia Polytechnic Institute and State University, and Texas A&M University.



“USAID provided the push we needed to develop the project.”— Dr. Raphael Thattil

All costs were covered by USAID. Students were required to do their fieldwork in Sri Lanka, and they were given a faculty position at PGIA when they returned. A total of 39 students were sent, but 14 did not return due to the conflict that erupted in Sri Lanka while they were abroad.

Nine of the 39 students selected were women. Of those that returned, 23 earned a Ph.D. and two earned Masters of Science degrees. Five additional people received non-degree technical training. The Agricultural Education Development Project also provided short- and long-term



USAID provided tractors and other equipment to the PGIA to increase capacity of the project staff in the late 1970s. Technical assistance was also provided.

technical assistance to the PGIA to further increase the capacity of the staff.

To better equip the PGIA, items such as computers, lab equipment, jeeps and tractors were provided. Books, periodicals and microfiche were provided to advance the library. The project ended in 1986.

The current director of the PGIA, Dr. Raphael O. Thattil, was one of the students who earned a Ph.D. at Virginia Polytechnic Institute and State University. He said that when the students returned and joined the faculty, they raised the standards of the PGIA.

They also reformed the system of selecting a dean and department heads to be one that requires elections and not appointments. The PGIA has grown under their leadership, now accepting 450 students a year out of approximately 1,000 applicants. Dr. Thattil expressed his high regard for the contribution of USAID to the PGIA.

Rice Research

USAID has been a valuable contributor to rice research and production in Sri Lanka. Through the Rice Research Project from 1977 to 1984, USAID assisted the Department of Agriculture to further develop and accelerate the utilization of improved varieties of rice and develop new cropping technology.

The project funded technical assistance in production and research technology, education and training, and commodities for equipping production research farms.

Five new varieties of rice were developed and released as a direct result of the Rice Research Project. New varieties were developed for resistance to pests and diseases, and adaptation to the climate and geographic characteristics of different areas.

The development of new varieties increased production to the point that Sri Lanka became virtually self-sufficient in rice. Rice production in Sri Lanka rose from an estimated 70 percent up to 90 percent of self-sufficiency during the project period.

The project also developed production “packages” that resulted in cropping intensification in some areas. The activity had a direct benefit on farm production and also enhanced the effectiveness of the research system by encouraging dialogue among agricultural scientists, economists, extension officers and farmers.

Under the Rice Research Project, 158 individuals were trained; 33 long-term and 125 short-term. After completing their training, the research officers were distributed throughout the 20 research stations involved with rice and other crop research.

The technical assistance and training from the project strengthened the genetic evaluation and utilization program, among other benefits.

The project organized a very effective inter-disciplinary rice research working group, decentralizing the approach to research. The rice working group functioned so well that the working group concept spread to other crops, multiplying the benefits of the Rice Research Project.



Students tend a research nursery at the Rice Research Station in Batalangoda in the late 1970s.

Family Health and Income Generation

Traditionally, rural women in Sri Lanka have led restricted lives with less access to education and employment outside the home than men, and received little recognition of their labor in the home. Women, however, have a major influence on the quality of life of their families, and spend their incomes wisely to improve the health and well-being of their children. From 1980 to 1982, USAID funded a program to work with women to address both family health and income, due to the strong relationship between these two factors and women's major role in both areas.

The project was designed to involve low-income rural women in income generation and health activities through enhancing the capabilities of government development officers to provide extension services in rural villages. The project was implemented by the Women's Bureau of the Government of Sri Lanka, with technical assistance from the Overseas Education Fund of Washington, DC.

The USAID project to improve extension services for rural women complemented the Women's Bureau's extensive plan of "integrating rural women in development."

Nine training programs were held, and a total of 92 development officers were trained. Phase I included a 1-month residential training program focusing on basic skills in non-formal education and community development, and began to explore pilot activities at the village level. Participants increased their skills in areas such as planning, working with groups, questioning and leading discussions, using non-formal education approaches, mobilizing local resources, evaluation and producing learning materials. Phase I also included 2-day workshops for 52 assistant government agents, the supervisors of the development officers.

In Phase II, Development Officers improved their expertise in areas such as poultry, bee-keeping, horticulture, coir



Sri Lankan women like these soft toy makers carry their traditional roles in society, while generating income with the help of the USAID family health project.

manufacturing, banana cultivation, pig farming, and soy cultivation.

Following Phase II, the officers applied their new skills in work with village women on small-scale projects. They had approximately seven months available for fieldwork to initiate health and/or income generating activities. Since the development officers were already in positions of service in their districts, the fieldwork components of the training were opportunities to practice new methods in their own workplace.

As a direct result of the training, more than 2,000 health and income-generating projects were initiated at the village level, involving more than 3,000 rural women. The project also developed an innovative training program for grassroots development workers. A training handbook was published, in both Sinhala and English, so the work could be continued in Sri Lanka as well as in other countries.

National Institute of Health Science

From 1980 to 1987, USAID participated in a multi-donor project to increase the capacity of the National Institute of Health Sciences (NIHS) to train Sri Lanka's health care workers.

The project was implemented by the Ministry of Health and the NIHS in order to increase the quantity and quality of health care workers required to improve Sri Lanka's health delivery systems and environmental sanitation.

USAID's contribution was to expand the physical facilities of the NIHS. The original contract included the following buildings and facilities in Kalutara, which were completed and turned over to NIHS in 1986.

These included the teaching block, library, auditorium, laboratory, cafeteria, covered garages, maintenance shops and garages, generator room, security sheds, covered walkways, pump house, plumbing and mechanical installation and telecommunication system, surface draining system, roads, pavements, parking areas, demolition and landscaping.

The project experienced some initial delays that in the end did not prevent on-time completion, and brought an unexpected benefit. The time delay in securing the contracts led to considerable cost savings due to changes in the exchange rate and increased competitiveness in the construction industry.

These savings financed the construction of a women's hostel block, which was in the master plan, but was not included in the original construction contract. The women's hostel block was completed in early 1987.



USAID contributed to expansion of the National Institute of Health Science in 1986.

Low-Income Housing

The USAID Low-Income Shelter Program began in 1981 with the approval of a Housing Guarantee Program to provide housing loan guarantees and technical assistance to the Government of Sri Lanka. The government had made a dramatic shift in its rural housing program by moving from construction by contractors to an Aided Self-Help Program and then, in 1982, to a highly decentralized upgrading program known as the Million Houses Program.

The Aided Self-Help Program was a rural housing effort designed to allow low-income communities in rural areas to build their own housing with limited government assistance. A slum and shanty upgrading program was also designed to assist urban slum dwellers to improve the quality of their units and strengthen community development and social service programs. The Million Houses Program embraced all housing programs, public and private, inexpensive and costly, in rural and urban areas.

The USAID Housing Guarantee Program supported the low-income housing components of the various housing programs of the Government of Sri Lanka. USAID helped cover the capital cost of these programs with loan guarantees.



USAID helped cover the capital cost of the housing program with loan guarantees.

Technical assistance was also provided to help the government refine and extend their capabilities; to introduce new concepts to the government such as the

formulation of a housing finance banking system; and to stimulate private sector building activity.



These families benefited from a USAID-supported Million Houses housing program in the early 1980s.

The Housing Guarantee Program had four phases of loans to low-income families, grants to poor families and technical assistance to the Government of Sri Lanka. The Central Bank of Sri Lanka implemented the loan component, and the National Housing Development Authority implemented the grant component. In 1985, the third phase of the program was authorized to assist households who moved to new lands in the Mahaweli area.

USAID supported the program into the late 1990s. From October 1992 to December 1995 alone, approximately 61,500 families earning less than \$113 per month were provided with long-term credit for housing.

An additional 76,055 very low-income families received grants, totaling \$4.35 million, for the construction of new homes and the improvement of existing homes. Thirty-one percent of all housing loans were granted to women-headed households.

Another successful element of the program was that the public sector started making grants or subsidies only to families who were too poor to borrow. All other families had to obtain financing at market rates. This directed scarce government funds on assistance to those who needed it the most, the poorest of the poor.

Promoting Energy Efficiency

In 1983 the Government of Sri Lanka requested assistance from USAID to help build capacity in the country in energy efficiency. Through the South Asia Regional Initiative for Energy (SARI/Energy) Program, USAID created a training program on performing energy audits. The first group of 30 participants was trained in December of 1983, and since then the training has been held every other year. In 1999, the course material was updated with the help of UNDP to include international experience.

SARI/Energy at a Glance

The South Asia Regional Initiative for Energy is a regional program of USAID that works to improve energy efficiency, increase the use of renewable energy, and provide technical assistance to the power sector for legal and structural reform with the objective of supporting economic growth. The program has six operational components: Technical Assistance and Training, Regional Partnerships, Business Coalitions, a Small Grants Program, Energy Statistics and Data, and Renewable Energy Resource Data.

The training is a 3-week intensive residential course. Most of the participants are engineers in manufacturing industries or energy suppliers. Part of the training is field work. The participants are split into two groups of 15, each of which audits a company and designs proposals on how the companies can improve their energy efficiency. After one year, the participants return to the companies to see if their recommendations were implemented.

After completion of the first training, the participants decided to form the Sri Lanka Energy Managers Association (SLEMA). SLEMA operated as a registered association for 10 years and in 1994, was incorporated by an Act of Parliament which provides government recognition and a small annual grant. SLEMA now boasts 300 members, three full-time staff and a 17-member board of directors.

Dr. Tilak Siyambalapatiya, the current director, was part of the first group trained. A dozen other people from the original training are also still SLEMA members. Their activities focus on capacity building, providing training and presentations to members. SLEMA also provides consultancy work on energy efficiency to private companies and the government.



Wind power in Sri Lanka

Having grown out of a program designed by USAID SARI/Energy, SLEMA now provides consulting services to SARI/Energy on the current energy efficiency needs of Sri Lanka. SLEMA consults on workshops and training activities, and has received some small grants from SARI/Energy for research projects. SLEMA also worked with the U.S. Asia Environmental Partnership (US-AEP) on energy efficiency in municipal services.



Solar energy in Sri Lanka

Water and Sanitation

The USAID Water Supply and Sanitation Sector Project was a 6-year effort from 1985-1991 to strengthen the performance of the National Water Supply and Drainage Board (NWSDB) in Sri Lanka. Established in 1975, the NWSDB was responsible for operating efficient water supply and piped sewerage facilities for public, domestic and industrial purposes, and research and training in the sector.

The USAID project aimed to improve the health and well-being of the people of Sri Lanka through increasing the number of people served by safe and reliable water supply systems and adequate sanitation facilities, and by reducing the incidence of water related morbidity and mortality. The project included a comprehensive institutional building component for the NWSDB, and a program to improve health education and rural sanitation services.



USAID was active in rehabilitating latrines such as these as part of its Water and Sanitation program.



The project improved access to safe and reliable water supply systems.

The NWSDB had been formed out of a government agency, the Department of Water Supply and Drainage, to be a public Corporation under the Ministry of Local Government, Housing and Construction.

During its first 10 years, it was functioning well in terms of construction of new water and sanitation schemes, but performance was not satisfactory in the areas of operation and maintenance, and consumer

billing. To help build the capacity in these areas, USAID provided technical assistance and training in management, budgeting, human resources development, facilities management, operations and maintenance, and special services.

An impact evaluation performed two years after completion of the project showed that the major gains in institutional strengthening made over the life of the project had been maintained. Performance improvement was most striking in the area of financial viability and commercial performance.

Billings increased by 98 percent and collections increased by 125 percent. In 1992, the board had met its corporate goal of covering operations and maintenance costs and two-thirds of debt service, and had generated a surplus.

Accomplishments were also made in sanitation services and health education in rural areas. Construction was completed for 5,400 adult latrines and 1,300 pre-school latrines. Training curricula were developed and utilized, and approximately 370 volunteer village health workers were trained to carry out health education activities. This enabled communities to continue progress, beyond the life of the project, toward improving their health through safe water and sanitation.

Agromart: Rural Women Entrepreneurs

In 1989, former Women's Chamber of Commerce chairperson Beulah Moonesinghe and some friends established the Agromart Foundation out of concern for the economic status of rural women in Sri Lanka.

The objectives of Agromart were to create entrepreneurship in the agricultural and small industries sector; train those in the rural sector to become entrepreneurs; and facilitate credit and disseminate information necessary to develop entrepreneurship.

Agromart began by helping women in the North Western Province to gain self-sufficiency. In 1993, Agromart expanded its coverage to include training rural women in agro-business in the more impoverished region of Southern Province. This expansion was made possible with assistance from the USAID Private Voluntary Organization (PVO) Co-Financing II Project. Launched in 1987, the PVO Co-Financing II Project

“Our association helps women gain economic stability and strengthens the partnership between wife and husband. In all our success stories, the family units have become 100 percent united because of economic empowering.” – Beulah Moonesinghe, Agromart

emphasized strengthening PVO management capabilities as the means of reaching the poor of Sri Lanka. It was a follow-up to the PVO Co-Financing I Project, and together the two projects provided 10 years of support to PVOs in Sri Lanka, from 1979 to 1989. Both projects worked to enhance opportunities for local communities to participate in their own development.

Activities supported by the PVO Co-Financing Projects included small-scale agricultural production, savings generation, family planning services, vocational training,



The Agromart Foundation, a USAID-assisted NGO, provided small grants to women in business in the mid 1990s.

and services for the mentally handicapped. It is estimated that over 300,000 people benefited either directly or indirectly from the services.

Those assisted were poor and disadvantaged; a large percentage was women. These achievements are significant because the two projects operated during difficult years of violent civil strife in Sri Lanka.

Thanks to Agromart, and the assistance it received from USAID, the incomes of rural women entrepreneurs substantially improved.

Restoring Confidence in Finance Companies

USAID, under the Development Service Project, provided technical assistance to the Central Bank of Sri Lanka to improve its ability to supervise and provide assistance to non-bank financial institutions during the 1980s.

When technical assistance was requested in the late 1980s, Sri Lanka was faced with a potential crisis due to a growing concern about the financial soundness of finance companies.

There was a danger that the lack of confidence in financial institutions might start an avalanche of deposit withdrawals that, if unchecked, could precipitate a wave of finance company failures and in time could spread to the commercial banking sector.

The only piece of legislation that dealt with finance companies was the 1979 Finance Company Act that provided the Central Bank with only a few powers in regulating finance companies. USAID, at the request of the Central Bank, provided a consultant to recommend changes, including new legislation, for the control of finance companies.

Based on the recommendations, the Government of Sri Lanka passed the Finance Act of 1988. The Act required that all finance companies obtain a license before 1990. To qualify, finance companies needed to have a paid up capital of Rs. 5 million. This requirement limited the number of companies able to obtain a license, therefore creating a financially sound and economically more responsible finance industry.

The USAID consultant also developed a monitoring system that made it possible for the Central Bank to quickly identify finance companies that were in trouble and take corrective action. Additionally, a comprehensive training program was designed to build a core group of examiners and supervisors to oversee the management and ongoing operations of weak finance companies.

To give greater focus to implementing the proposed changes, the Central Bank created the Department of Supervision of Non-Bank Financial Institutions. The services of a second consultant were obtained to follow-up on the recommendations and implement the training program.



In the late 1970s, the Central Bank of Sri Lanka requested that USAID provide consultants to recommend legislative changes for the control of finance companies.

In the final report the consultant stated: “The new department, with the help of the newly trained staff, was able to restore public confidence in the finance company sector. The finance companies that received the license are all well managed and financially sound. It is now possible and appropriate to shift the emphasis from crisis management to policy issues.”

Colombo Stock Exchange

In the late 1980s, the Colombo Stock Exchange (CSE) was nearly 100 years old, yet still lacked the breadth and depth needed for strong market growth. From 1989 to 1992, the USAID Capital Market Development Project worked to build the CSE into a recognized exchange which received international attention from highly respected emerging market fund managers.

The Capital Market Development Project supported four pillars: (1) establishing an efficient exchange; (2) instituting regulation; (3) providing access to company information; and (4) training analysts and brokers. USAID was a major catalyst for the establishment of the Security Exchange Commission and developing accounting standards. Computers were supplied to modernize the CSE, and training was provided to analysts.

USAID technical assistance helped raise the Colombo Stock Exchange to an international level. Institutional reforms improved the reliability of the financial market information system and contributed to investor confidence. Assistance in the expansion of capital and financial markets enabled more people to participate in the economy. From 1989 to 1992, the amount of capital



The World Trade Center, the heart of the Colombo business district and home of the stock exchange.



Traders working at the Colombo Stock Exchange

raised by the CSE experienced growth of 1,793.9 per cent, making the CSE an efficient capital raising mechanism.

The Capital Market Development Project helped build the base for managing growth in the market, and the emphasis on training and strengthening the human and physical resources was well placed.

The success of the Capital Market Development Project prompted USAID to commit additional resources to a follow-on project, the Financial Markets component of the Private Sector Policy Support Project.

The additional support helped in aspects such as enhancing the post trade automation system, assistance in coping with the increased volume of trading, and improving the efficiency and integrity of the CSE.

“The Sri Lanka Security Exchange Commission would not exist in its present form without the support it received from USAID,” said Nissanka Weerasesera, Managing Partner, Aureos Capital, and former Project Officer for USAID Capital Market Development Project.

Assistance During Conflict

After years of ethnic conflict in Sri Lanka, the Indo-Sri Lanka Peace Accord was signed by Indian Prime Minister Rajiv Gandhi and the Sri Lankan President J.R. Jayewardene on July 29, 1987. In the agreement, India pledged to cease assisting Tamil insurgents and to provide a peace-keeping force.

The Sri Lankan Government agreed to decentralize power to the provinces, hold a referendum on merging the Northern and Eastern Provinces, and give official status to the Tamil language.

In December 1987, a special World Bank Group meeting took place in Paris, at which the U.S. pledged additional assistance for Sri Lanka's reconstruction program in the North and East.

As a result, USAID established the Rehabilitation Assistance Project in Sri Lanka. It was designed to provide assistance in irrigation rehabilitation, agricultural inputs, restoration of private enterprises, and housing reconstruction, as part of a coordinated multi-donor effort.

“A key strength of the project was its ability to adapt to changing conditions and continue to be useful.”

Over the next few years, violence was sporadic, and the focus of the project shifted accordingly. When full-scale conflict resumed in 1991, the program was redesigned to provide seeds and other agricultural inputs to communities in the conflict zone.

Fertilizer was one input restricted by the government since it could be used to make bombs. A system was also successfully established so that 10 percent of food production was pooled into a cooperative arrangement for feeding people who did not have agricultural land.

Pamela Baldwin was a USAID Project Development Officer in Sri Lanka from 1988-1993, who worked on the



In the 1980s, USAID established the Rehabilitation Assistance Project to help Sri Lanka recover from conflict.

Rehabilitation Assistance Project, and went on to apply the experience in other areas of conflict such as Bosnia. She commented that a key strength of the project was its ability to adapt to changing conditions and continue to be useful.

“In this business you don't get many thank you notes, but I did get letters from the North thanking me for sending them agricultural inputs so they would be self-reliant,” Ms. Baldwin said.

Preserving Sri Lanka's Coasts

Among the varieties of diverse natural riches in Sri Lanka, coastal resources have acquired a special status on the island. Tourism and local population pressures on coastal areas, especially along the western coast, prompted the need for effective management of the coast in the 1990s. Caused by wind and sea action, coastal erosion is aggravated by sand and coral mining, improperly sited coastal protection structures, loss of coastal vegetation, inappropriately located coastal hotels, and other related causes.

Three years of dedicated work by leading Sri Lankan and URI/CRC environmental, socio-economic and resource management specialists resulted in the preparation of "Coastal 2000" which addresses coastal issues in and beyond the 1990s. Coastal 2000 is a series of about 20 background papers, studies and issues relating to population growth, economic growth and environmental impacts in coastal areas. In 1994 it was adopted by the Cabinet of Ministers and was used to guide policies in the design of a revised National Coastal Zone Management Plan.



Caused by wind and sea action, coastal erosion is aggravated by sand and coral mining, improperly sited coastal protection structures, loss of coastal vegetation, inappropriately located coastal hotels, and other related causes.

The USAID Natural Resources and Environmental Policy (NAREP) project, a seven-year effort that began in 1990, was aimed at improving public and private institutional performance in preservation of natural resources. Project activities promoted formulating and implementing effective environmental policies and developing sustainable and environmentally sound development programs. For coastal resources, NAREP provided assistance for an effective policy initiative in order to address issues such as practical management of multiple uses affecting coastal habitats. It also coordinated and strengthened coastal management activities and actors.

Under NAREP, USAID and the University of Rhode Island Coastal Resources Center (URI/CRC) supported the development of the Sri Lanka Coastal Zone Management Plan of 1990, the first in a developing country.

NAREP also provided training for Sri Lanka's leaders in coastal management. Dr. R.A.D.B. Samaranayake, Director of the Coast Conservation Department was sent to the University of Rhode Island for training in management of coastal resources. Among the skills he acquired were how to plan a coastal conservation project and the functions of regulations.

Dr. Samaranayake commented on the important role USAID played in developing coastal management in Sri Lanka. "Managing the coasts is receiving greater attention among Sri Lankans since the tsunami," said Dr. Samaranayake. "Issues such as coral reef preservation have come to the forefront, since areas where the reefs were compromised due to mining and tourism suffered the worst damage. The fragility and the importance of the coastlines will not soon be forgotten."

Mediation: Easing Congestion in the Courts

The use of mediation as an adjunct to the formal court system has a long history in Sri Lanka, dating back to the pre-colonial era and extending through British rule. Following independence in 1948, the Government of Sri Lanka formally established conciliation boards to relieve congestion in the courts. The conciliation boards,

Initiative, the Citizen Partnership Program, and the Human Rights Initiative.

The ministry first established a Mediation Commission made up of former Supreme Court and Appeals Court Justices, which has since helped the boards remain independent of political influence, eliminated powers of summons and decree, and ensured that both participation and implementation are voluntary.

The boards utilize trained volunteer mediators who receive a small stipend from the government for administrative expenses. Mediators are drawn from highly respected people in their communities, often retired teachers or civil servants. USAID programs played a significant role in building the technical capacity of mediation trainers

and mediators by providing for observation tours in the United States and in-country training.

In 1995, USAID assistance focused on increasing the effectiveness of mediation and increasing public confidence in the system. Awareness programs were held at all levels ranging from a public awareness poster, introduction of mediation concepts through a school conflict management program, training for final year law students and for local government officials or village leaders.

In 2005, there were 273 mediation boards in Sri Lanka. They routinely hear civil disputes involving land and family issues, and minor criminal matters. Cases brought to mediation boards are required by law to be decided within 90 days. Even simple cases in the court system can take years to be resolved. The boards have a high success rate of 60 percent of cases heard being resolved. Mediation boards provide an efficient and inexpensive way to resolve civil and minor criminal cases. USAID assistance to the area of mediation has been a sound contribution to increasing access to justice to the people of Sri Lanka.



A USAID-sponsored Training of Trainers on Effective Mediation in 2005 is part of the Transparent, Accountable Local Governance (TAG) program.

however, became highly politicized; appointments were based on patronage, and decisions were considered biased. Amid considerable controversy, Sri Lanka abolished conciliation boards in 1978.

By 1988, congestion in the courts - a backlog of 365,000 cases pending in the lower courts and 17,000 cases in the appeal courts - together with the high cost of litigation that limited access for the poor, forced reconsideration of alternative dispute mechanisms. Following the passage of the Mediation Boards Act of 1988, the Ministry of Justice set up 211 mediation boards throughout the island, except in the North and East Provinces. These provinces were added in later years, playing an important role in bringing back functioning civil societies in conflict-affected areas.

Since establishment of the mediation boards in 1990, USAID programs through The Asia Foundation have been providing support to the Ministry of Justice for its mediation board program. The partnership between USAID and The Asia Foundation for mediation programs spanned three USAID projects, the Democratic Pluralism

Radio and Human Rights

As a 25-year-old graduate from the University of Colombo, Pradeep Weerasinghe pioneered a radio program in 1994 about human rights that was targeted to non-English speaking rural Sri Lankans. Pradeep's degree included modules of journalism, economics and international relations.

Extracurricular activities with groups such as the Student Buddhist Congress and the Journalism Society inspired Pradeep to interact with people and generate meaningful discussions. One of Pradeep's courses was on human rights, taught by the prominent legal activist and University law lecturer, Dr. Deepika Udugama, who was also the Director of the University of the Colombo Center for the Study of Human Rights (CSHR).

Approaching graduation in mid-1994, Pradeep learned that the Sri Lanka Broadcasting Service, the state-owned radio and television service, had plans to introduce an interactive talk show.

Pradeep wanted to use the radio, a popular media with the Sinhala and Tamil speaking rural communities, to inform rural Sri Lankans about human rights issues. Approximately 80 percent of the rural population at that time did not speak English.

Pradeep received close to 30 letters a week from his listeners requesting information and guidance pertaining to various human rights issues from disappearances to violations of freedom of expression.

With support from USAID, Pradeep was hired for the talk show. In July, 1994, he launched a pioneering, hour-long, weekly program on human rights. Originally envisioned as a phone-in talk show, the program agreed to accept letters since most of its listeners could not spare the cost of a phone call.

Pradeep received close to 30 letters a week from his listeners requesting information and guidance pertaining to various human rights issues from disappearances to violations of freedom of expression.



Pradeep Weerasinghe conducts an interview for his radio show on human rights in 1994.

CSHR was founded at the University of Colombo in November of 1991, with assistance from the USAID PVO Co-Financing Project.

The USAID project worked with Sri Lankan private voluntary organizations to build their capacity to reach the poor of Sri Lanka. CSHR was established to promote and facilitate human rights educational and research programs.

CSHR helped train many leaders in the cause of human rights. It introduced undergraduate courses and a diploma course for human rights workers. Educational programs were also piloted for the armed forces and police, two important groups in a nationwide effort to uphold human rights in Sri Lanka.

Diversifying Agriculture

The Diversified Agriculture Research Project (DARP) was initiated in 1984 as Sri Lanka approached self-sufficiency in rice, its staple food crop, but with significant deficits in other food crops. DARP was an agreement between USAID and the Sri Lanka Department of Agriculture to strengthen the institutional capacity of the department to generate and transfer the technologies and seed required to increase production and diversification of crops on small farms.

During its final three years, from 1991-1993, DARP focused on developing private sector seed enterprises and high-value horticultural export crops, satisfying markets rather than import substitution, and emphasizing farm incomes and employment rather than food. It also fostered demand-driven research and the use of mass communication for technology transfer. The changes in project activity accompanied and reinforced a shift in Sri Lankan Government policies toward a market economy, private sector development and export promotion.



S.C. Charles:
“You can still see local farmers building on DARP.”

An important result of DARP was a widespread change in attitude and orientation of the agricultural establishment. The project led to the acceptance of (a) a policy of food self-reliance rather than self-sufficiency; (b) the importance of the private sector; (c) a need for agricultural commercialization and diversification to increase incomes for the rural poor; and (d) a need for government research and technical services to be responsive to clients.

Support from DARP for institutional and policy development facilitated a move from a fully public sector seed trade to private sector seed import and a growing local seed production industry. DARP strengthened the Department of Agriculture’s capacity to work with diversified small farm crop production. Research capability increased with improved research planning, overseas training of 448 staff, technical input to programs and improved facilities and equipment for the agriculture research stations.



An important result of DARP was a widespread change in attitude and orientation of the agricultural establishment.

DARP support also led to the formation of a Horticultural Research Institute. Research trials on diversified crops increased appreciably.

The project assisted the Department of Agriculture to adapt to the withdrawal of ineffective and costly field extension staff and established a mass media communication capability resulting in a more cost-effective extension system network.

Recently recalling the success of DARP, USAID Project Officer S.C. Charles said that “DARP was considered an excellent project by the Government of Sri Lanka because USAID worked closely with the Department of Agriculture and gave comprehensive assistance. You can still see local farmers building on the benefits of DARP.”

Support for the Disabled

The protracted conflict in Sri Lanka has taken a heavy toll on civilians. Farms and villages are still littered with landmines. There are an estimated 30,000 or more amputees as a direct result of the conflict and the associated increase in the incidence of crippling diseases. Sri Lankan youth have paid a particularly high price with nearly 80 percent of people with disabilities between the ages 18 to 29.

The Patrick J. Leahy War Victims Fund was established by the U.S. Congress in 1989 and is administered by USAID. The fund provides financial and technical assistance for people living with disabilities, particularly those who have sustained mobility-related injuries from unexploded ordinances, antipersonnel landmines and other direct and indirect causes of disability – including polio and other preventable diseases that might result from interrupted immunization campaigns.

In 1990, a needs assessment was conducted on prosthetics production and distribution in Sri Lanka. The next year, USAID began working with the Colombo Friends in Need Society's Jaipur Foot Program. The Jaipur Foot Program produced prosthetics and provided rehabilitation services to the disabled. Workshops were provided in Colombo, Kandy, Galle and Jaffna.



Wheelchair basketball is part of the Disability Support Program.



A young amputee tests her new prosthetic leg at the Jaipur Centre in Jaffna.

Today, the USAID program in Sri Lanka is a comprehensive holistic rehabilitation program for people with disabilities. It is managed by Motivation Charitable Trust, an international NGO. Motivation works through six Sri Lankan disability organization partners: Centre for the Handicapped in Kandy; Navajeevana in Tangalle; Spinal Injuries Association in Ragama; Sri Lanka Foundation of Rehabilitation for the Disabled in Colombo; Jaffna Jaipur Centre for Disability Rehabilitation in Jaffna; and the Southern Centre for Disability in Galle.

Activities include international-standard training and certification of prosthetic and orthotic technicians, introduction of polypropylene technologies and more appropriate, modern wheeled mobility devices and orthotics. The program also develops rehabilitation services, including physical and occupational therapy, psychosocial and vocational support.

Agro-Enterprise for Sustained Economic Growth

With the conclusion of the Diversified Agriculture Research Project, USAID realized that after working with the government to build the agriculture sector, the next step was to focus on the private sector. As a result, the Agro-Enterprise Development Project (AgEnt) started in 1992.

AgEnt was an 8-year private sector agro-enterprise development project that took place from 1992 to 2000. AgEnt's mission was to develop sustained economic growth in Sri Lanka by helping to establish and expand commercially and environmentally sustainable agro-enterprises.

AgEnt had highly skilled professional staff of local advisors and international specialists organized into five operating units: Agribusiness/Financial Management, Policy Dialogue, Production, Marketing/Agro-Processing, and Support Services. The staff worked with entrepreneurs, trade associations and government policy makers, using a market-driven approach to agribusiness development.



AgEnt helped the Chintana Fruit Drink Factory in Anuradhapura get started, creating new jobs like this and using agricultural crops in new ways.

AgEnt staff identified domestic and international markets for their clients, and assisted them in determining how and when to produce for and deliver to those markets.



All the lettuce for McDonalds restaurants in Sri Lanka is grown in poly-tunnels with Albert Solution. The grower, Abans, is the sole-supplier of iceberg lettuce for McDonalds in Sri Lanka, a relationship established by AgEnt.

Focusing on agribusiness development using a hands-on, results-oriented approach capitalized on the contribution of agro-technology coupled with an internationally competitive strategy. AgEnt Managing Director David Anderson is still praised for his dedication to Sri Lankans and the Sri Lankan agriculture industry.

AgEnt has had a lasting impact on agriculture in Sri Lanka. Two examples of technology introduced by AgEnt that were widely accepted and still used today are poly-tunnels and Albert Solution. Poly-tunnel greenhouses spot the Sri Lankan countryside as perfect environments for growing vegetables, fruits and cut flowers. Poly-tunnels are made of a galvanized pipe frame covered with UV-resistant polythene. Some farmers modify the structure by utilizing less expensive wooden frames.

The poly-tunnel model came from the U.S. and an expert was brought to Sri Lanka to demonstrate the installation and use to local farmers. Initially, the AgEnt project shared the cost of the poly-tunnels with some clients. Later, farmers constructed them on their own after realizing that they would receive a very good return on their investment.

Albert Solution was made to fertilize the plants that are grown in the poly-tunnels. This solution contained all the major nutrients such as nitrogen, phosphorous and potassium with minor or trace nutrients such as magnesium and boron. It was named after its inventor, a Sri Lankan agronomist and an employee of the AgEnt project who developed the solution. This patent was picked up by a Sri Lankan company and is still being used today.

To build on the successes of AgEnt, the final year of the project was spent finalizing the creation of an umbrella organization, the National Agribusiness Council.

“We feel the National Agribusiness Council is the appropriate conclusion and a new extension of AgEnt’s role in Sri Lanka,” said Anderson. “This is the logical transformation of AgEnt from a donor-funded project to a sector-driven participatory body which is sustainable over the long-term.”



AgEnt helped industries like this pasta-making enterprise to expand. The program assisted entrepreneurs in determining how and what to produce.



Poly-tunnels, made of galvanized pipe frame covered with UV-resistant polythene, spot the Sri Lankan countryside as perfect environments for growing vegetables, fruits, and cut flowers.

AgEnt Accomplishments and Impact

Activity	Target Level (1997)	Actual Level (2000)	% of Target
New/Expanded Agro-Enterprises	350	412	118%
New Technologies Introduced	100	327	327%
New Products/Markets Developed	40/40	162/190	405% / 475%
Increased Investments - AgEnt Clients	\$12.0 million	\$35.3 million	294%
Increased Exports in Assisted Sectors	\$4 million	\$374 million	9350%
Estimated Increased Annual Income, Ag Sector	\$8.2 million	\$55.2 million	673%
New Jobs Created	10,000	20,971	210%
Client Contacts	3,120	15,482	496%
Overseas Observation Tours	60	294	490%
People Trained	1,400	40,080	2914%
% Women Trainees		35%	
Policy Reforms	12	20	166%

Coir: Harvesting the ‘Tree of Life’

The coconut tree is often referred to as the “Tree of Life” in Sri Lanka because every part can be used productively. The fibrous husk of the coconut is called coir. It can be either sold as raw material or processed into value added products such as brooms, brushes, boot scrapers, twine, matting, woven and stitched geo-textiles, rubberized coir mattresses, and upholstery.

Due to the relatively small size of its domestic market, the production of raw fiber and related goods in Sri Lanka are almost exclusively driven by external demand. Sri Lanka is the single largest supplier of coir fiber to the world market.

USAID has helped the coir industry in Sri Lanka through multiple projects. The AgEnt project provided decorticating machines that remove the coir from the coconut husk to local producers. When the fiber is removed, there is a by-product called pith. For many years there was no use for pith, and it was being produced in such large amounts that it was polluting Sri Lanka. The AgEnt project helped identify a use for pith as a planting medium. Now pith is compacted into bricks for export that can then be split apart and used for planting. This not only helped solve the pollution problem, but it also created a new export product for Sri Lanka.

Coir is often spun into a twine that has various strengths and uses, and can also be woven into products such as mats or bags to hold tea leaves. Through the AgEnt project, USAID helped identify a new export product made from weaving the twine into large mats that are used on hillsides and along streambeds in the U.S. and Japan to prevent soil erosion. The mats have a large weave so grasses can grow through them, and since the mats are made of a natural material, over time they safely biodegrade into the soil.

USAID also helped individual entrepreneurs in the coir industry. S.N.S.B. Bandaranayake of Bandaranayake Exports in Kurunegala, for one, went to India to learn new methods of coir processing through the support of the AgEnt project. He also received support to attend trade shows in the U.S., and as a result started exporting coir products there.



A worker in Ambalangoda weaves a mat from coir fiber.

Today, USAID funding is introducing small businesses to new technologies to improve coir processing. New equipment will accelerate production by eliminating the six months of soaking time traditionally needed to soften coconuts in order to extract the coir. New and wider looms will help processors produce a larger geo-textile mat for the market and traditional products such as mattresses, rugs and twine.

The coir industry is also one of the eight industry “clusters” supported by USAID’s The Competitiveness Program (TCP). In addition, the ReVive post-tsunami livelihoods restoration project provided coir spinning wheels and other associated materials to help small entrepreneurs re-start businesses destroyed in the tsunami.

Safeguarding the Legacy of ‘Ceylon Cinnamon’

Cinnamon is so closely associated with Sri Lanka that its very name *cinnamomum zeylanicum* is derived from the word Ceylon, as Sri Lanka was formerly known. Spices like cinnamon are the reason the island was invaded by the Portuguese in the 16th century, and why the Dutch fought them for it in the 17th century.

To safeguard the legacy of the country’s famous cinnamon, USAID assistance is helping Sri Lanka’s cultivators and processors of cinnamon to recover their rightful place in the spice market for true cinnamon. Still the world’s leading source of cinnamon today, Sri Lanka produces 60 percent of the global yield, and four-fifths of the choicest “true” grades of the spice.

Often blended with cassia, a less intensely-flavored but more abundant substitute, Sri Lanka’s producers of cinnamon were not only historically disadvantaged because of the lack of product and price differentiation, but suffered further by the salt water intrusion caused by the tsunami. About 125 acres of cinnamon-cultivated lands were destroyed by sea water, and four commercial level nurseries were badly damaged. All told, the livelihoods of more than 2,000 workers and family members were adversely affected.

For these few specialized communities along the island’s south and west coasts, cinnamon cultivation and processing is a way of life. Most producers are small holders working less than an acre of land using traditional methods passed down through generations over the past 500 years.

USAID support to the cinnamon industry began with the AgEnt project that established the Spice and Allied Products Association. The industry association is now called the Spice Council and is part of The USAID’s Competitiveness Program (TCP). Working with the Spice Council, the USAID post-tsunami ReVive initiative helped communities to make use of locally developed technology to process cinnamon more efficiently.

USAID developed ReVive to restore livelihoods to people who lost their means to earn a living after the tsunami. ReVive provided new tools, a specially designed worktable, replacement planting materials, and

agricultural inputs to cinnamon producers under a grant to the communities.

“USAID providing more efficient equipment to these workers affected by the tsunami is a big help in restoring the cinnamon industry to a higher level than it has previously enjoyed,” said Sarada De Silva, President of the Spice Council, before presenting the processors with complete sets of cinnamon peeling tool kits, newly developed cinnamon peeling table-and-chair units, and the latest in planting materials, chemicals and fertilizers.



USAID Mission Director Dr. Carol Becker and Southern Province Governor Kingsley T. Wickremaratne observe a demonstration of new cinnamon peeling equipment provided by USAID.

“Raising the dignity of working with cinnamon is important to the industry to attract and retain workers. The peeling tables provided by USAID help in this effort by raising the work of peeling cinnamon off the floor, improving sanitation, and also respect for the work,” said Vijith Jayatilake, a cinnamon plantation owner.

Cold Chain

In 1987, the Mahaweli Agriculture and Rural Development (MARD) project began working with farmers in the Mahaweli System B area to move production from paddy to more profitable diversified crops, such as melons, okra and gherkins, for both domestic and foreign markets. In 1992, MARD moved into the next critical step of establishing a pack house and cold chain in order to safely transport the produce for export.

The Tess Group of companies established Tess Agro, Ltd. in 1992 to work with the MARD project. Tess had previously worked with fish, and this was their first opportunity to work with fruits and vegetables.

USAID paid half of the costs to build the Tess Pack House in Aralaganwila, as well as the hydro-cooler for post-harvest processing, which is still being used today. To establish the cold chain,



Tess Agro expanded into vegetable marketing with USAID's support of a new pack house and hydro cooler that permitted the company to maintain a cold chain from fields to factory.

USAID financed two refrigerated trucks only recently replaced by Tess Agro.

USAID paid half the costs to build the Tess Pack House in Aralaganwila, as well as the hydro-cooler for post-harvest processing, which is still being used today.

Tess Agro continues to buy from about 400 small farmers in the System B area and has expanded to other areas. The melons and okra introduced under MARD are still being grown today. The produce is primarily sold by Tess Agro to wholesalers for export.

Tess Agro started with 15 employees and has grown to employ 90 people. They now also provide other companies with cold chain support. In December of 2002, Tess Agro went public. They credit USAID with the growth of their business from a small family owned business to a publicly owned company.



A farmer displays a harvest of okra to be exported to wholesalers by Tess Agro.

Hambantota District Chamber of Commerce

Azmi Thassim is a dedicated business leader in Hambantota, which lies on the southern coast of Sri Lanka. He was the first President of the Hambantota District Entrepreneur Agency, which was established in 1990 to assist local businesses. In 1992, USAID began working with Mr. Thassim and the Entrepreneur Agency, providing technical assistance through the Private Sector Policy Support Project.

It soon became apparent that the district would benefit from having a Chamber of Commerce. USAID provided technical advice on how to establish a chamber, and office equipment to get them started. On June 25, 1993, the secretariat for the chamber was launched, and on August 9, 1993, the Hambantota District Chamber of Commerce was officially registered.

Mr. Thassim served as the first president for the Chamber, which was the first district level chamber of commerce in Sri Lanka. Today, Mr. Thassim still serves as the chief executive officer for the chamber.

The relationship between the Hambantota Chamber of Commerce and USAID did not end there, however. The Chamber provided office space for personnel for the USAID Technology Initiative for the Private Sector (TIPS) and the Agro-Enterprise Development (AgEnt) projects in



Chamber director Azmi Thassim addresses a meeting of the USAID-sponsored TIPS program.



USAID assisted in forming the Hambantota District Chamber of Commerce, which today reaches out to other districts to help provide services such as IT skills training.

Hambantota. TIPS helped the chamber conduct investment forums to attract investment to the district.

The AgEnt project sponsored one of the chamber members to go to Australia and New Zealand to learn the dairy business, and he is still in business today. The chamber also took a 30-member team to an international trade fair in India with cost-sharing from TIPS. Chamber members have continued to attend the fair at their own expense.

Now a strong, established chamber, the Hambantota District Chamber of Commerce has members who reach out to other districts and help them start chambers. They welcome visitors from other chambers and also go to other districts to give presentations on their work.

They continue to be involved with USAID and recently helped the USAID Office of Transition Initiatives program implement English classes in the district.

Reflecting on USAID's support to the Hambantota District, Mr. Thassim stated, "USAID did things properly – they provided advice, not just a check. The advice we received from USAID was more valuable than someone giving us a gift and then leaving."

Making Yogurt and Creating Jobs

Ranatunga Industries, a yogurt company established in 1992 in the rural south by R.A.K. Rohana, was one of many businesses assisted by the USAID Mahaweli Enterprise Development (MED) project. MED's objective was to accelerate the creation of permanent, private employment in the Mahaweli rural development areas from 1989 to 1995.

The project also focused on strengthening the government's commitment to market oriented approaches to the Mahaweli Development Program, a large donor-assisted irrigated land settlement scheme launched in 1970.

A key feature of the implementation of MED was the establishment of twelve Mahaweli Business Development Centers. The centers provided technical assistance and training services to small and micro-enterprises and facilitated access to credit through existing financial institutions. In December of 1993, Mr. Rohana sought assistance from the MED-supported Business Development Center in Embilipitiya.

Mr. Rohana obtained access to vital business planning and financial management practices, as well as credit that financed an expansion of his operations.

What began as a micro-enterprise of five employees increased to employing 23 persons over 10 months. The workers were mainly young, female, high school graduates, in an area where youth unemployment was common.

The principal production issues addressed with the USAID assistance were refrigeration and packaging. Ranatunga Industries produced yogurt by the cup, competing with a large dairy products company. By diversifying his product, Mr. Rohana created his own market niche with products such as yogurt with a layer of



A young woman packages yogurt for Ranatunga Industries, which was assisted by USAID's MED project

gelatin on top. He also produced frozen yogurt in a small, plastic tube that was popular with school children.

The USAID-MED project was a key intervention to reduce unemployment and increase household incomes in rural Sri Lanka. Promotion of entrepreneurs such as Mr. Rohana was a practical, constructive form of intervention for sustainable rural sector development in Sri Lanka.

"Samata Sarana": Assistance for the Most Vulnerable

Samata Sarana provides services to the slum and street dwellers and refugees within Mutwal, a locality in Colombo widely known for its concentrations of shanties and slums. It seeks to “restore the human dignity lost or damaged by all forms of exploitation and conflict by alleviating such pain and suffering and developing the quality of life at all levels: physical, economic, psychological and spiritual.” It was established by Sister Bernie Silva and Father Joe de Mel in 1988.

Samata Sarana’s services are focused on infants and children, women, elders, the sick and terminally ill, youth and the unemployed. It provides a wide range of services including nutrition and health care, education and training, daycare programs for infants and the elderly, and rehabilitation programs.

Samata Sarana started out in a small facility and after a few years, it needed a larger building. They secured a piece of land that was an old garbage dump, but they needed resources to build a facility. It was at this time that Sister Bernie and Samata Sarana were introduced to USAID.

In 1992, USAID agreed to help Samata Sarana with the construction of their new building. Under the Private Voluntary Organization Co-Financing Project, Samata Sarana received a three-year grant from USAID, which paid for the construction of the foundation and two floors of the new building. The remaining three floors were paid for by other donors.

USAID also paid for Samata Sarana’s recurring costs for three years. This project enhanced opportunities for communities to participate in their own development, with a particular focus on strengthening the management

capabilities of private voluntary organizations to reach the poor in Sri Lanka.

At the dedication of their new five-storey building in 1995, Sister Bernie publicly thanked USAID for its help, “With deep gratitude and affection I remember the spirit of empathy USAID had towards Samata Sarana.”



Former U.S. Ambassador to Sri Lanka E. Ashley Wills (center), former Mission Director Vicki Moore (right) and Solita Muthukrishna (second right) of USAID observe vocational training students sewing at Samata Sarana, run by Sister Bernie (left) and Father Joe (obscured, far left), in 2001.

“Samata Sarana received a magnanimous grant from USAID and it was with their assistance that the foundation, lower ground floor and ground floor were constructed. I will never forget how USAID has worked for Samata Sarana,” she said.

In a recent interview, Sister Bernie and Father Joe again expressed their gratitude for USAID’s help at a critical time for their growth. “USAID believed in our dream,” Sister Bernie recalled. “They built us the foundation for a large building so now we can accommodate large numbers of people. This building is a great gift that keeps giving.”

Watershed Management

Shared Control of Natural Resources (SCOR) was an innovative USAID initiative for watershed management in Sri Lanka.



SCOR helped facilitate projects like this water diversion canal in Huruluwewa.

Carried out from March 1993 through September 1998, SCOR's purpose was to develop models for increasing the sustainable productivity of natural resources – mainly land and water – in a watershed context. SCOR was implemented by the International Irrigation Management Institute, with overall guidance provided by the Ministry of Irrigation, Power and Energy.

SCOR assisted Sri Lanka in intensifying the productivity of land and water resources within selected watersheds while conserving the physical, biological and social environments. This was accomplished through novel management models and shared control by local user groups and the government.

SCOR contributed to policy changes in the agriculture, irrigation and forestry sectors, creating openings for positive changes in watershed management through increased user control of natural resources.

Involving local users of the watersheds is critical to the long-term management of natural resources. Key features of SCOR's approach were soil and water conservation and management, changes in cropping patterns and practices, natural resource tenure security, community participation in resource planning and development, and state-user partnerships for the management of natural resources.

SCOR's innovative approach created a greater awareness and common understanding of the importance of watersheds and conservation. Particularly in Nilwala, SCOR helped reinforce a sense of stewardship and responsibility among public and private leaders. The leaders learned the value of creating a public good through investments that are long-term and more distant for their immediate constituencies. This type of long-term outlook will benefit Sri Lanka far into the future.

SCOR assisted Sri Lanka in intensifying the productivity of land and water resources within selected watersheds while conserving the physical, biological and social environments.



USAID watershed management assistance created openings for new user control of natural resources.

TIPS for Toys

The USAID Technology Initiatives for the Private Sector project, or TIPS, started in 1991 to increase international competitiveness of and employment in Sri Lankan private industry. It aimed to improve the private industry's performance in choosing, acquiring and mastering technologies with support from U.S. business and technology.

In 1998, TIPS changed from firm-level assistance to improving the trade and investment systems, policies and practices necessary to attract the level of investments required for sustained growth and improved competitiveness. The project was implemented by the International Executive Service Corps and ended in 2000.

Golden Palm International began operations in 1985 exporting wooden toys, handicrafts and Christmas decorations purchased from four sub-contractor producer groups.

In 1994, Golden Palm sought assistance from USAID to market their products to the U.S.

The TIPS project identified the American International Toy Fair held each year in New York as the most appropriate venue to exhibit their products, and invited Golden Palm to attend the 1995 fair as a member of the TIPS sponsored group participation.

In preparation for the fair, TIPS assisted Golden Palm with designing and printing a brochure detailing the company's products. A cost sharing grant covering 50 percent of the cost of the marketing efforts was given to Golden Palm by TIPS. As a pre-fair promotional exercise, TIPS identified U.S. distributors and agents for Sri Lankan toys in the U.S. and conducted a mailing campaign inviting them to visit the Sri Lanka pavilion at the fair.

At the 1995 American International Toy Fair, TIPS introduced Golden Palm to a large U.S. buyer specializing in wooden trains. Golden Palm was able to secure a large order for train engines on a regular basis. They also secured orders from other U.S. buyers, increasing their export orders by 25 percent.



A worker at the Golden Palm International Toy Factory, which benefited from the TIPS project

In late 1995, TIPS assisted Golden Palm to host a U.S. toy designer for two weeks to design a new range of wooden toys, and improve the existing ones, to cater to the changing trends of activity based toys for international markets. Several specialty mobiles and puzzles were designed. Golden Palm also received assistance from TIPS to attend the 1996 American International Toy Fair and to conduct a marketing campaign in Japan.

To meet the demand generated by the toy fairs, Golden Palm opened its own factory in Gampaha. Today, Golden Palm International employs 45 people, mainly women. It is a positive work environment for women, where they can come and work peacefully without being harassed. The company fulfills export orders only. They are grateful to USAID for the guidance on manufacturing activity based toys, and on marketing to international markets that led to the current success of Golden Palm International.

The TIPS project also benefited Selyn Exporters, a soft toy manufacturer in Sri Lanka. Started in 1991 by Sandra



The TIPS program aimed to improve private industry' performance in choosing, acquiring and mastering new technologies.

Wanduragala, Selyn exporters attended the 1995 Toy Fair in New York that expanded the business into the international market. TIPS shared the costs of her attendance at three toy fairs, where she met buyers for her products. TIPS also helped Selyn Exporters design and print brochures to market their projects.

To make their toys, Selyn Exporters dyes the yarn and weaves the material on large hand looms. The material is then cut and made into toys in a small factory in Kurunegala.

Ninety percent of the employees are women and some work at home, where it is more convenient for them. When Selyn Exporters started working with TIPS, they had around 50 employees. Today, Selyn has a staff of 540 and outsources some work to another 1,000 people.

Ms. Wanduragala attended two Global Women's Conferences with the assistance of TIPS. She says the conferences were an invaluable experience because they helped her discover her own self-worth and to realize what she was doing was important. "TIPS provided the push I needed to expand my business," she said.

USAID launched TIPS in March 1991 as a 6-year, \$18 million project that benefited 706 businesses. USAID contributed \$12 million, and another \$6 million came from the Government of Sri Lanka. Independent of government involvement, TIPS had the flexibility to assist demand-driven activities, in which clients shared risks by matching a percentage of the TIPS grant.

The project's goal was to generate economic growth and employment by developing and sustaining a market economy to increase international competitiveness and employment in private industry. U.S. business assisted in improving performance in choosing, acquiring and mastering technologies, which helped firms identify their production and marketing needs and search for innovative technological solutions.



Sandra Wanduragala, proprietor of Selyn Exporters, at the company factory last year.

Sujan Foods:Vegetarian Delights

Sunanda Weerasinghe is the pioneering leader of Sujan Foods, a company specializing in vegetarian food products. Sunanda has successfully combined her commitment to a vegetarian lifestyle and her love of working with food into a growing business.

Sunanda started Sujan Foods in 1991, and credits her entrepreneurial nature to being raised in a family that exposed her to business principles early in her life. Sujan Foods is a small business of 12 people that produces and packages a range of vegetable-based frozen meals and instant desserts for export companies.



Some of the award-winning products produced by USAID-assisted Sujan Foods, with a trophy for Food Excellence in 2001 from the Sri Lanka Food Processing Association.



**“AgEnt was such a blessing.”
- Sunanda Weerasinghe**

Satyn, a leading women’s magazine in Sri Lanka.

AgEnt’s assistance to Sujan Foods included support for equipment and opportunities to build food processing

Sunanda also acknowledges USAID for its commitment to helping her business succeed. In 1995, she began working with AgEnt, a project which provided assistance to agro-enterprises in Sri Lanka.

True to her grateful nature, Sunanda never misses a chance to thank USAID for its help, and even recognized USAID in a recent article profiling her in the March/April 2005 issue of

and marketing skills. By sharing the costs of a grinder, AgEnt enabled Sunanda to add cereal-based products to her line of foods. AgEnt also shared the costs of Sunanda’s attendance at food expos in the U.S. and Germany.

Sunanda speaks highly of her experience at the food expos, and is thankful for the opportunity to learn more about food quality standards and packaging. Her attendance also exposed her to other vegetarian products, helping her expand her ideas of how to cater to the vegetarian market. Sunanda continued to build her business skills by attending financial management seminars held by AgEnt in Colombo.

Sunanda shares her knowledge and skills with the business community by serving as the 2005 Vice President of the Sri Lanka Food Processing Association, an association established by AgEnt now functioning on its own. Sunanda is grateful for all that USAID did for agribusinesses in Sri Lanka. “AgEnt was such a blessing,” she said.

Don Bosco: Training for Youth

The Society of St. Francis de Sales, or the Salesians of Don Bosco, is a religious Congregation founded by St. John Bosco in 1859 in Turin, Italy for the purpose of helping, educating and training poor boys. It has spread to over 130 countries, and in 2006, Don Bosco is also celebrating 50 years of working in Sri Lanka.



USAID provided support to Don Bosco through the Displaced Children and Orphans Fund during the mid 1990s.

The mission of Don Bosco is the education and broad human development of poor, disadvantaged, abandoned, orphaned children and youth, so that they may earn a decent living for themselves and their families, and become responsible, constructive citizens for their communities and the nation.

In Sri Lanka, Don Bosco has established four Vocational Training Centers, three Rehabilitation Centers, three Seminaries and three Parishes. The centers contribute in various ways to uplift poor children and youth at risk of being lured to idleness and crime.

They provide vocational training and also conduct awareness programs with the children and their communities regarding the dangers posed to youth. Free tuition is provided for after school programs.

The Vocational Training Centers have a high success rate, with 95 percent of participants finding jobs. Follow-up work is done with the youth after they leave the centers. In fact, the youth do not receive their certificate of completion for vocational training until after they have held a job for two years.

Youth who participate in the program learn important job skills, and are encouraged to develop positive attitudes to help them in all aspects of life.

USAID provided support to Don Bosco through the Displaced Children and Orphans Fund during the mid 1990s. The Displaced Children and Orphans Fund strengthens the capacity of families and communities to provide care, support and protection for orphans, unaccompanied minors and war-affected children.

The fund works through non-governmental organizations in developing countries to develop models and implement programs that provide direct service to children and support local organizations so that work can be sustained beyond the grant.

Anthony Pinto, Superior of Don Bosco, stated that the support they received from USAID enabled them to expand their services. USAID helped them build the community education concept, knowing that it is not enough to rehabilitate one child but it is important to work with an entire community. Working with USAID also helped them to reach out to child soldiers and the war-affected community.



USAID connected Don Bosco with HIV / AIDS groups so they could incorporate HIV and AIDS issues into their programs. Father Pinto described the impact of USAID assistance to Don Bosco, stating, "USAID's support helped Don Bosco become a trademark for helping children in Sri Lanka."

Father Pinto, Director of Don Bosco: "USAID sees monuments in people, not buildings."

In expressing his appreciation for the approach USAID takes to development, "USAID works at the grassroots level," Father Pinto said. "It provides dynamic, person-centered assistance. USAID sees monuments in people, not buildings."

Young Entrepreneurs Sri Lanka

Young Entrepreneur Sri Lanka (YESL) was established in 1997. YESL provides service and technical support to schools in Sri Lanka to help students gain an understanding of the importance of market-driven economies; the role of business in a global economy; the commitment of business to operate in an ethical manner; the relevance of education in the workplace; and the impact of economies on their future.

YESL is the result of the vision and hard work of many people who were inspired by seeing the activities of the Junior Achievement Program in the U.S. Beginning in 1965, Pathmasiri Dias, Vice President of YESL, received a scholarship from USAID and The Asia Foundation to visit the U.S., U.K. and Japan as a member of the All Ceylon Small Industrialists Association.

While in the U.S, Mr. Dias observed the Junior Achievement Program and he returned to Sri Lanka to promote entrepreneur development when the association was incorporated into the Sri Lanka Chamber of Small Industries (SLCSI) in 1984 and Mr. Dias became president.

The Entrepreneur Development Program was developed with USAID and The Asia Foundation funding, and trained over 800 youths in two years.

The Entrepreneur Development Program was developed with USAID and The Asia Foundation funding and it trained over 800 youths in two years. Again in 1986, Mr. Dias visited the U.S. under the U.S. Embassy American Visitor Program and he studied the Junior Achievement Program in Colorado Springs. M. Mackey Hassim, Vice President of SLCSI, Mr. Granville Perera, past President, and Mr. Patrick Amarasinghe, President of YESL, also observed Junior Achievement in the U.S. and discussed the merits of the approach for Sri Lanka.

On assuming duties as President of the Federation of Chambers of Commerce and Industry of Sri Lanka in 1992, Mr. Amarasinghe contacted Junior Achievement International and USAID to introduce Junior Achievement to Sri Lanka. He also took his message to the chambers of commerce, businessmen and to the government. At



YESL graduates at the seventh annual Young Entrepreneur of the Year Awards in 2005.

the invitation of USAID, Junior Achievement International came to Sri Lanka to do a feasibility study.

USAID and the National Education Commission supported the take-off stage of YESL. It was established as a non-profit corporate body in March 1997 and was awarded official member nation status of Junior Achievement International. The Ministry of Education and Higher Education established a private sector partnership in education with YESL.

Today, the program is funded by the private sector. The curriculum and learning materials are time-tested and well researched, and are offered free to children in elementary, middle and high schools.

Business executives serve as mentors, and partnerships with education authorities and the business community offer practical business activities for the students. Through YESL, a new “free trade zone” was created for businesses to invest in the future of children in Sri Lanka.

Creating Competitiveness

The challenge of globalization has affected all economies, creating a new complexity that requires new thinking, strategies and approaches from both the public and private sector. The Competitiveness Program (TCP), funded by USAID, is an effort to collaborate with Sri Lankan leaders to identify and apply lessons that will benefit Sri Lanka. TCP provides technical assistance to private sector associations and organizations that are committed to advancing industry competitiveness and economic development.



Workers in a Sri Lankan ceramics factory supported the Ceramics Council, which grew out of the USAID Ceramics Cluster.

USAID began working on competitiveness in Sri Lanka in 1999. Sri Lanka was the first USAID mission to implement a comprehensive competitiveness project. Today's TCP is the successor to The Competitiveness Initiative, which contributed to an improved ability among Sri Lankan industries to understand the challenges and opportunities of globalization.

TCP works with selected groups of representatives from business and government who have agreed to form strategic task forces called "clusters." An industry cluster consists of members from every part of the business process – from raw material producers, to manufacturers, to traders to retailers dealing directly with consumers.

It includes representatives from government, preferably regulators of a particular industry, and representatives from supporting industries that make business possible – such as packaging, shipping, financial services, and information technology.

Working together, members of the cluster learn to appreciate each other's perspectives and needs and arrive at a consensus on what must be done to drive an industry forward. The following eight industries have formed clusters: Ceramics, Coir, Information and Communication Technology, Jewelry, Rubber, Spices, Tea and Tourism. Together, they represent 29 percent of the Sri Lankan work force and nearly a third of all the country's exports.

One example is the work done with the ceramics industry cluster that was formed in 2001. The ceramics cluster was initiated to develop and implement a unified, industry-wide strategy to enhance the competitiveness of Sri Lanka's ceramics industry through activities such as branding, creation of "Centers of Technical Excellence" and workforce development programs. Membership was drawn from across the ceramics industry value chain.

In November 2003, the ceramics cluster formalized its role in the industry by incorporating the Sri Lanka Ceramics Council (SLACC), which was officially launched in 2004, and now operates under the aegis of the Ceylon Chamber of Commerce. SLACC today is undeniably one of the richest forums of industry representatives in the island and serves as the apex body for the Sri Lanka ceramics industry.

Over the years, both the ceramics cluster and subsequently SLACC, have played a catalytic role in building consensus and dialogue among various economic counterparts in addition to promoting competitiveness enhancing industry initiatives. For example, the high cost of energy (known to be the highest in Asia) was identified as one of the main challenges facing Sri Lanka's ceramics industry.

To address this issue, SLACC made collective recommendations to gas suppliers to regulate prices so that they reflect world market rates, and to the government to implement projects that will provide electricity at competitive prices. Given the strength of its industry representation, SLACC succeeded in negotiating a transparent pricing formula for gas supplied to the industry by Shell Gas Lanka, including discounts for bulk purchases to subscribing ceramic companies.

The ceramics cluster also launched an industry web portal. The site is devoted to the Sri Lanka ceramics industry and helps generate awareness of Sri Lankan ceramics in the global marketplace.

Women's Development Federation

The Women's Development Federation (WDF) of the Hambantota District was established in 1989 under the Poverty Alleviation Program of the Government of Sri Lanka. Under this program, government social workers organized the women of the district into a network of *Kantha Samiti*, or women's development committees, around health issues. The Hambantota District is in southern Sri Lanka and is one of the least developed districts in the country.

Wanting to continue their program after the government support ceased, the women began organizing common funds for emergencies and income-generating loans. WDF is now a completely self-managed people's organization. It runs 72 village banks and a training center. WDF focuses on human resource development through capacity building in financial resources management, human resource management, technical skills development and institution building, to empower poor rural women to improve their lives.

In 1999, USAID gave the WDF money to build a training facility. When the time to build came, the women said



The USAID supported Women's Development Federation Training Center in Hambantota.

they would do it themselves. This was in order to get it done quickly and for a low price. Through their work and a network of people who helped with labor and purchas-



After the tsunami, ReVive provided sewing machines for livelihoods restoration through the WDF. Pictured presenting a machine in 2005 are David Dyer of ReVive (right) and Jeff Allen of USAID (center).

ing building materials, the training center was built in one year, which is a remarkable achievement.

It is a large residential training facility with rooms for people to stay, a large kitchen and dining room, and classrooms. Through an Institutional Strengthening Grant, USAID also provided training to the staff and office equipment to the training center.

The WDF rents the training center out to other groups and it is so successful that the WDF makes a profit that they use to fund other activities.

USAID has enjoyed a positive ongoing relationship with the WDF. Recently, USAID's Office of Transition Initiatives program gave them the building materials to construct a computer training facility.

During the tsunami, three of their village banks were destroyed, and the ReVive program provided funds to cover the losses from the banks. ReVive also provided income generating equipment such as sewing machines to victims of the tsunami through the WDF.

100 Days to Cleaner Air

"USAID has provided a remarkable amount of resources and global experiences through training," said Secretary Don S. Jayaweera, Ministry of Transport. "This program accomplished several important achievements through hard work and setting ambitious targets to attain better air quality."

By 2001, the air quality in Sri Lanka's major cities was deteriorating rapidly - largely due to pollution from vehicles using leaded gasoline. Even at low levels, lead exposure can affect brain development, reduce learning ability and cause behavioral disorders, especially in children. However, lead poisoning is also entirely preventable, and eliminating the use of leaded gasoline is a critical first step to reducing exposure on a wide scale.

In June 2002, the Sri Lankan government launched the 100 Days Program, halting sales of leaded fuel countrywide. But it needed to provide evidence to policymakers and the public that the program would be effective and beneficial to keep up the momentum for additional measures to improve air quality.

To support the 100 Days Program, USAID sponsored several initiatives, including one study measuring the



A USAID-supported study indicated that three-wheeled trishaw taxis were the biggest polluters on the streets in Sri Lanka.

impact of the lead phase out, and another identifying the country's most polluting vehicles using state-of-the-art remote sensing technology. USAID also assisted the World Bank and the Ministry of Environment and Natural Resources in forming the Air Quality Management Center, which carries out nationwide emissions and fuel standards programs and implements campaigns to increase environmental awareness and communicate with the public.

Ambient air lead levels dropped 90 percent as a result of the 100 Days Program. Buoyed by these results and its increased capacity to manage air quality, the Sri Lankan government committed to taking further actions – mandating better vehicle maintenance practices, instituting a vehicle testing program and changing the policies on importing used and two-stroke vehicles. With the help of the Air Quality Management Center, proposed standards for emissions and inspections have now been crafted that will enable Sri Lanka to meet more stringent vehicle emission standards for both imported and in-use vehicles by 2007.



USAID-supported emissions inspectors work on the streets of Colombo during the 100 Days Program.

An Innovative Solution for Solid Waste in Sri Lanka

The residents of Sri Lanka's commercial capital Colombo discard about 600 tons of municipal solid waste per day, and the issue of where to put it has plagued the local government for many years.

In 2000, USAID's U.S. Asia Environmental Partnership (US-AEP) arranged for the staff of the Colombo Municipal Council and some private sector investors to attend a trade show on solid waste management in the U.S., where they were exposed to technical aspects and most importantly the American system of "tipping fees" paid by the cities to private sector firms for waste management.

After the visit, the city of Colombo expanded outsourcing of solid waste management services and issued a tipping fee based on a long-term contract for composting the waste.

Acting on what was perceived to be a lucrative niche market, Burns Environmental and Technologies Ltd (BETL) won the contract and invested \$6 million in a facility to treat biodegradable wastes and contaminants and to maximize resource recovery by producing agriculture grade compost.

In November 2002, US-AEP sought the assistance of the University of Minnesota to improve the composting process managed by BETL, as quality of the compost was key to ensure marketability. Prof. Thomas Halbach, an extension educator, studied the system, recommended modifications and identified equipment to make good quality compost.

In 2004, US-AEP donated field equipment and a compost quality testing laboratory to BETL through the city of Colombo to ensure that the compost meets required standards. Today the BETL plant can process about 300 tons of decomposed waste and produce about 30 tons of compost per day. This compost is sold successfully, to paddy, tea and vegetable crops producers, sometimes as special blends with added chemical fertilizers.

This public-private partnership is helping to reduce waste going into open dumpsites that are often associated with health risks and pollution. It converts the waste into compost, a valuable soil conditioner that helps to nourish and

regenerate agricultural lands by minimizing erosion, increasing microbial activity and retaining moisture in the soil. It also increases the efficiency of costly imported chemical fertilizers.

The BETL facility is one of the largest in South Asia and now composts waste from Colombo and the surrounding suburbs of Kaduwela and Kelaniya. BETL plans to expand operations to accommodate recycling of non-biodegradable materials and to produce energy from waste.



A state-of-the-art garbage system is now turning Colombo's mountains of garbage into compost, easing the capital's disposal problem and offering hope for other cities in the country.

US-AEP at a Glance

As a regional program of USAID, the U.S. Asia Environmental Partnership (US-AEP) supported collaborative approaches to the environment in Asia, from 1992-2005. US-AEP Sri Lanka supported cooperation between government, business and communities in Sri Lanka and the United States to address the country's environmental challenges. Primary areas of work included air quality, water quality, environmental governance, solid and hazardous waste management, energy efficiency and renewable energy.

Supporting Peace

The Sri Lanka Peace Support Project was established in November 2002 to build the capacity of government and civil society organizations to value and engage all stakeholders in an increasingly unified peace process effort. Its objectives are to develop inclusive capacity for formal negotiations, mobilize constituents for peace, and link constituents to leaders. The project is implemented by the Academy for Educational Development.

An important aspect of the Sri Lanka Peace Support Project is implementing programs related to public opinion and peace values. The award-winning tele-drama series, *Take This Road*, produced by Young Asia Television, was one of these programs.



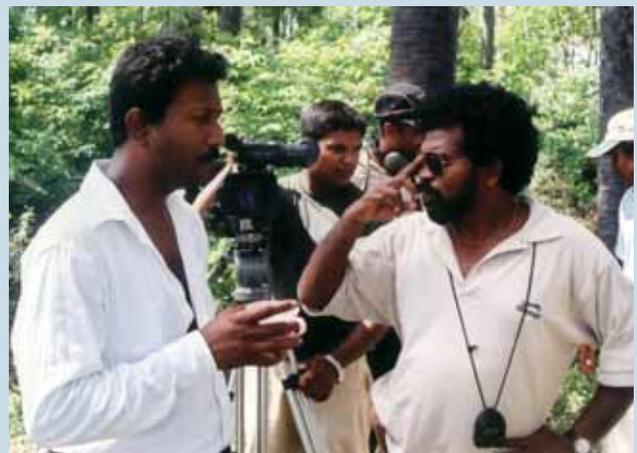
The cover of the Take This Road DVD

Take This Road is a 13-part half-hour series that highlights the cost of conflict on fragile community relations and reflects the hopes and aspirations of all Sri Lankans. It tells the story of three families, one Sinhalese, one Tamil, and one Muslim, whose paths cross on a trip to Jaffna with the reopening of the A9 road from Kandy. It's a symbolic journey of discovery for the three families towards the realization of the common human experience that binds them together.



Shooting the opening scene of Take This Road, a 13-part tele-drama produced to promote peace building and social transformation.

Take This Road was shot on location, mostly in Jaffna, with some scenes shot in Puttalam and Colombo. The script was developed in a unique collaborative consultation process which included a wide range of community representatives from all stakeholder groups in the peace process, as well as visiting directors from India and South Africa who have worked in the tele-drama format to promote peace building and social transformation. Three script writers representing the Sinhalese, Tamil and Muslim communities worked on bringing the consultations to the form of a script. *Take This Road* was directed by renowned film-maker Asoka Handagama.



Director Asoka Handagama (right) consults with an actor between scenes of Take This Road.

Peace Road

The rural agrarian community of Mahagoddayaya on the east coast of Sri Lanka has been rife with mistrust, prejudice and separation during 20 years of war, during which the Sinhalese and Tamil neighborhoods were literally divided on two sides of the road that bisects it.

With support from the USAID Office of Transition Initiatives (OTI), the Universal Human Rights Foundation, a local NGO, re-activated the Mahagoddayaya Village Development Committee to find that basic issues – such as limited access to clean water – kept the villagers at odds. But with a common goal of a better road, which served both communities, more than 100 volunteers of both ethnicities came together to work on the project, giving them the first chance in a long time to interact and work toward a shared priority.

***“Why do we remain obsessed with ethnicity, caste and creed? If we want to forge a single nation then we must start with this fundamental principle that we are all equal citizens of one state.”–
A resident of Mahagoddayaya***



Peace, through the eyes of a young artist from a community supported by the OTI program

The OTI program in Sri Lanka assists in generating greater support for a negotiated peace settlement to end the long-standing conflict. To accomplish this aim, OTI aims to increase collaboration and participation among diverse groups to prioritize and address felt needs, and to increase public awareness and understanding of key transition issues. The program began in March of 2003.

Through basic leadership training and a visit to the work site, the Mahagoddayaya Village Development Committee



The USAID-sponsored Peace Road, brought the community of Mahagoddayaya together.

began to see the benefit of inter-ethnic cooperation for the good of the village as a whole. At the end of August 2005, OTI participated in a procession and dancing linked with multi-religious services before the official opening of the aptly named “Peace Road.”

“Why do we remain obsessed with ethnicity, caste and creed?” said one peace-loving resident of Mahagoddayaya. “If we want to forge a single nation then we must start with this fundamental principle that we are all equal citizens of one state. Greedy and power-hungry politicians have encouraged division, which undermines our development, decelerates our economic growth and defeats us all in our battle for peace and stability.”

Counseling in War-Torn North

Sri Lanka's protracted internal conflict, halted by a 2002 cease-fire, has left more than 25,000 widowed heads of households in the northern Jaffna district. More than 1,300 war widows and nearly 10,000 affected family members live in the Kopai division alone. Thousands more have been displaced from their homes by "high security zones. Two camps for internally displaced still remain, rendering Kopai among the poorest parts of the country.



A counseling session is under way at the Wholistic Health Center in Jaffna. Such sessions are helping school dropouts return to their classrooms. Group meetings address more than just trauma, explaining that basic education is necessary for children.

A USAID-funded program provides counseling to help widows and children cope with living in the war-torn district. Father Damian Soosaipillai, a Catholic priest and clinical psychologist at the Jaffna teaching hospital founded a "Wholistic" Health Center in the late 1990s in an effort to restore hope through counseling to families traumatized by war and displacement, and help young people integrate into society through social and educational programs. Keeping kids in school, and getting dropouts to return, are the key goals.

"Children drop out of school because of poverty, a lack of supplies, poor family environments, and undernourishment," Father Damian said. "Absence of basic reading, writing, and thinking skills perpetuates the cycle of poverty in the district."

Weekly Saturday gatherings, with the offer of a free lunch, began to attract mothers for trauma counseling and up to 100 children at a time for therapeutic play, and animation sessions. Non-formal education was offered for older children and young adults who had not been to school.

"At group meetings for mothers, we don't address the trauma alone," he said. "We take up issues like education. We try to sensitize them and empower them by explaining that basic education is necessary for their children."

In 2004, the program benefited about 1,400 children and 500 mothers. The program targets mainly female heads of households who suffer any number of symptoms including grief and depression, intrusive memories, recurring nightmares, and sleep disorders.

Children are sometimes unable to learn, or show clinging or aggressive behavior. School dropout rates are in the hundreds for the district.

With the help of these parents and community leaders, children started to appreciate the value of an education. The program began operating with funding from the USAID Humanitarian Assistance Program in 2004.

Since then, about 35 school-age dropouts between the ages of 10 and 12 in the division have returned to the Sirupiddy Government Mixed School in Kopai, about 20 percent of the estimated 150 dropouts in the area.

"Everybody is very happy with the results," Father Damian said, "the parents, the school principal, and we at the center, of course are pleased as well. In these difficult times, I don't know what the future holds for the children of the Jaffna District if they don't go to school."

A Small Village Gets Big Visitors After the Tsunami

When former U.S. Presidents Bush and Clinton announced the donation of \$1 million from the Houston Tsunami Fund for the welfare of Sri Lankan children affected by the tsunami, it is likely their visit to the small refugee settlement of Alabadawatha two months previous was not far from their minds.

The intimate hour the two ex-presidents spent with five displaced families in USAID-funded temporary shelters clustered together in the corner of this fishing community may have had a profound impact on Presidents Bush and Clinton, but to the children, they were just two foreigners who seemed to have a keen interest in hearing their stories and seeing how they were coping with life after the tsunami.

Shortly after their arrival on the morning of February 21, 2005, to cheers from the assembled children, the presidents were briefed on temporary housing, the aluminum-roofed, canvas-walled shelters constructed by USAID partner Community Habitat Finance International. Shelter occupant Dishanti Suranjika looked on amazed as President Clinton fixed the final screws of the door to her home.

Suranjika, one of the few members of the small community who speaks English, was appointed spokesperson for the visit. She invited the presidents inside her modest dwelling, and told them she was grieving for a brother lost in the tsunami, but her husband and son survived. Her spirits rose, she recalled, when USAID partner Christian Children's Fund (CCF), hired her to help with trauma counseling for the village children.



Presidents Clinton and Bush review art by the children of Alabadawatha expressing their grief after the tsunami.



Suranjika listens to a question from President Bush as President Clinton enjoys the entertainment during their visit to the tsunami camp at Alabadawatha in February, 2005.

The CCF program included designating a part of the settlement as “child friendly space” where children could engage in low-intensity activities such as expressing their emotions about the tsunami disaster through painting, telling stories, and singing and dancing.

Some of the results of the art program were on display for the presidents, who took several minutes looking at the paintings and discussing them with each other as their creators looked on. Some handed them drawings to take home. The presidents chatted with the children as best they could, and picking up feelings from the expressions on their little faces. President Bush picked up one of the smallest, while President Clinton put arms around two at a time.

Having installed the ex-presidents in a place of honor, the village children performed for them. One boy read a poem of his own composition in English about buying a sticky bun. They performed two songs and dances for about 20 minutes.

Afterwards, members of the local press began shouting out questions to the visitors, and the ex-presidents obliged by approaching them and giving an impromptu press conference.

Tsunami Response

On December 26, 2004 a massive earthquake occurred off the west coast of Northern Sumatra, Indonesia. The earthquake triggered a massive tsunami that affected most of the countries bordering the Indian Ocean. In Sri Lanka, the tsunami struck the north, south, and southwest shores killing over 35,000 people. In addition, over 100,000 homes were fully or partially destroyed leaving nearly 600,000 people displaced.

Immediately following the catastrophe, USAID dispatched a Disaster Assistance Response Team. These professionals worked closely with USAID/Sri Lanka, the Government of Sri Lanka and non-governmental organization personnel in carrying out damage and needs assessments. Based on the findings of these assessments and in consultation with all relevant actors, USAID developed a series of programming initiatives designed to address not only immediate relief requirements, but also help bridge the gaps between relief and reconstruction. They provided food, water and sanitation,

shelter, health care, livelihoods recovery, psychological and social support, assistance with clean up and repair, and anti-trafficking programs.



Cash for work programs like this one helped thousands of people earn much-needed income while cleaning up damaged neighborhoods in the immediate aftermath of the tsunami.



USAID funded 10,000 transitional shelters like this in Galle District so families could have homes while waiting for permanent housing.

As the only international organization with a local office in Ampara District at the time of the tsunami, USAID was able to get to work in the East immediately. The destruction of the causeway connecting the district to the rest of the country made it difficult for outside help to arrive. However, long-standing relationships with local suppliers meant USAID was able to get orders for crucial equipment filled quickly, including generators, 2000-liter water tanks, lights for refugee camps, bulldozers, and backhoes.

The agency helped ensure a seamless transition from camps to communities by stimulating local economies and by providing cash-for-work programs, vocational training, community-based psychological and social support, and construction of 10,000 transitional shelters.

Thanks to local volunteers and cash-for-work programs from USAID and other donors, villages damaged by the tsunami were provided materials and assistance to rebuild. USAID gave 6,000 people income in exchange

for help with rebuilding communities. In addition, USAID's small loan program helps people start or re-start their own businesses. For many who used to earn their living from the sea, this was an opportunity for a new beginning.

Reconstruction projects include replacing the destroyed Arugam Bay Bridge, three fishing harbors in the South, water and sanitation improvements, construction of two new vocational schools rehabilitation of at least eight more, and smaller local infrastructure.

USAID's work on the new bridge, vocational schools, and three fishing harbors will benefit thousands. In September 2005, USAID signed a contract with the U.S. firm CH2M HILL to "build back better." A three-part construction package will be implemented through various subcontractors, including three American and at least five Sri Lankan firms.

USAID works with the government to plan and carry out reconstruction projects and improve service delivery. Throughout, USAID encourages citizen participation and promotes the peaceful resolution of community disputes.

The Office of Transition Initiatives expanded the reach of its peace-building program with the opening of a new office in the southern town of Matara. The USAID



Following the tsunami, the REVIVE program restored livelihoods for thousands of artisans like this carver from Galle, shown at a REVIVE-sponsored craft fair.

presence in Matara assists communities to identify their unique needs and priorities since the tsunami in this politically volatile region. Projects in the area include reconstruction of damaged schools, and re-equipping schools that sustained damage and lost inventory while serving as temporary housing for people displaced by the tsunami.

These programs assist the national Sri Lankan government as well as provincial and local governments to develop an improved early warning and communications system to alert communities of impending dangers.

A multi-agency team coordinating the U.S. government's support for developing the Indian Ocean Tsunami Warning System is working with officials of the Government of Sri Lanka, non-governmental organizations, the private sector, donors, USAID, and U.S. Embassy staff.

The information gathered is critical to the two-year, \$16.6 million regional effort. The purpose of the collaboration is to present and discuss the warning system and to understand better early warning related efforts already underway or being planned in Sri Lanka.



USAID engineers conduct testing of the sea bed before replacing the temporary bridge at right with an all-new bridge expected to last 100 years.

Healing Through Play

Thousands of Sri Lankan children affected by the December 26, 2004 tsunami will enjoy the healing effects of playing together after USAID and the Galle Municipal Council inaugurated the first new play park for kids, on the first anniversary of the tsunami.

The new Galle Municipal Council Signature Children's Park, located at Dharmapala Park, is among 85 to be installed or rehabilitated in 13 tsunami-affected districts. It is one of the four largest "signature" parks designed for high-population areas.

"Psychologists agree that the ability to play has a significant positive impact on a children's recovery from trauma," USAID Mission Director Dr. Carol Becker said. "While the memory of the tragedy of the tsunami will live forever in the minds and hearts of Sri Lankans, I hope that over the forthcoming months and years ahead, this park will help restore the sounds of laughter and the joy of childhood that the tsunami so mercilessly took away."



The new playground in Galle, moments before the dedication ceremony to commemorate the anniversary of the tsunami on December 26, 2005.

Funding for the \$2 million parks project comes from USAID, the American Jewish Joint Distribution Committee, and the Bush-Clinton Tsunami Relief Fund. It is being implemented by Sarvodaya, the largest Sri Lankan non-governmental organization.

"This project is a fine example of a public-private partnership to improve the quality of life for the thousands of Sri Lankan children whose lives were displaced by the tsunami," said U.S. Ambassador Jeffrey Lunstead. "Though a year has passed, the scars of last year's tragedy will be long in healing."

To implement the project, Sarvodaya is working closely with the Ministry of Local Governments, local municipalities and members of tsunami-affected communities, as local ownership is key to success. Sarvodaya is also working with partners in Galle to ensure appropriate placement of the parks and regular maintenance.

All the equipment is imported from the United States, and meets American and European standards of safety and durability. The parks will be designed to be family-friendly, and encourage multi-ethnic participation and community access, including access for the disabled.



Moments after the Galle park was opened, hundreds of young people tested the equipment.

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